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**THE  
COLONIAL PROBLEM**



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# THE COLONIAL PROBLEM

*A Report by a  
Study Group of Members of the  
Royal Institute of International  
Affairs*

OXFORD UNIVERSITY PRESS  
LONDON NEW YORK TORONTO

*Issued under the auspices of the Royal Institute  
of International Affairs*

1937

OXFORD UNIVERSITY PRESS  
AMEN HOUSE, E.C. 4  
LONDON EDINBURGH GLASGOW NEW YORK  
TORONTO MELBOURNE CAPE TOWN BOMBAY  
CALCUTTA MADRAS  
HUMPHREY MILFORD  
PUBLISHER TO THE UNIVERSITY

906  
147288  
W:77  
G71

PRINTED IN GREAT BRITAIN AT THE UNIVERSITY PRESS, OXFORD  
BY JOHN JOHNSON, PRINTER TO THE UNIVERSITY

## FOREWORD

PERHAPS the most difficult and certainly one of the most essential functions undertaken by Chatham House is the presentation of contemporary international problems in a perspective and form that will be of service to the general public. The Council of the Institute have often made use of the method of Group Study for those problems which may be darkened for the conscientious citizen by clouds of prejudice and controversy. A Group of Members of the Royal Institute are charged with the task of producing a survey of the subject chosen. The aim of their Report is to be at once comprehensive and accurate, objective and well documented. It is not the intention of a study on these lines to reach a conclusion, to approve a policy or even, except indirectly, to resolve controversy; it is rather to provide the public as efficiently as possible with the information that is indispensable if that public is to think for itself.

Such plans as these have never been easy to execute, and in the case of the present Report on *The Colonial Problem* their fulfilment was rendered more difficult by the magnitude of the subject and by the prominence given in current controversy to the issues at stake. Difficulties of definition and presentation are inherent in the nature of the political and economic relation of colonies and colonial areas to the rest of the world. It is hoped that these difficulties may have been at least partially overcome, and that a statement of the more relevant facts and questions has been achieved.

The membership of the Group to whom the Council are indebted for the production of this report was as follows:

Hon. Harold Nicolson, C.M.G., M.P. (*Chairman*).

Sir John Hope Simpson, K.B.E., C.I.E.

Mr. G. E. Hubbard.

Major G. St. J. Orde Browne.

Mr. F. W. Paish.

Sir Cecil Rodwell, G.C.M.G.

Sir Richard Winstedt, K.B.E., C.M.G.

Miss Margaret Bryant (*Group Secretary*).

The special thanks of the Group are due to Miss Margaret Bryant, the Group Secretary, who drafted the bulk of the Report, and to whose unflagging industry and ability is due the collation and verification of a vast amount of disconnected material. It is impossible

to speak too highly of the zeal and intelligence which Miss Bryant has brought to the work. To Miss Heather Harvey also, the Acting Secretary of the Study Groups Department, as well as to Mr. E. M. R. Lewis, the special economic assistant to the study, the Group are indebted for very valuable help and advice.

According to the usual practice of the Study Groups Department, parts of the Report were submitted in draft form to a number of authorities in Great Britain and abroad, while other experts assisted with special statistical and other information. These authorities were invited to comment upon and criticize the material from their various points of view, on the understanding that they would, by so doing, incur no responsibility for the final contents of the book, while the Chatham House Group reserved to themselves the right to accept or reject any proposed amendments. This invitation met with a generous response, and much valuable help and criticism was received from the following authorities:

Dr. J. H. Boeke.	Colonel the Hon. C. M. Hore-
M. Henri Brenier.	Ruthven, C.M.G., D.S.O.
Sir John Caulcutt, K.C.M.G.	W. Horsfall Carter.
Field-Marshal Sir Philip Chet-	Dr. H. Lauterpacht.
wode, Bart., G.C.B., O.M.,	Dr. Charlotte Leubuscher.
G.C.S.I.	Dr. M. F. Lindley, C.B.
Professor E. Denny.	Dr. O. Louwers.
P. D. J. Druiff.	Dr. E. Moresco.
M. Jean Ebersolt.	Dr. Cecile Rothe.
M. H. Fitz Gerald, M.C.	Dr. Salvadori.
Dr. S. Herbert Frankel.	Governor André Touzet.
Dr. M. Gormsen.	C. W. H. Weaver.

The Council of Chatham House wish to express their warm appreciation of the generosity of these authorities in thus placing their knowledge and experience at the disposal of the Group. Further, they desire to record their gratitude to Miss Margery Perham, whose advice and assistance were of great value in the early stages of the preparation of the Report, but who was prevented by pressure of other work from undertaking the full responsibilities of Group membership.

In reading this Report it should be borne in mind that, as is customary in the Study Group work of Chatham House, the members of the Group invited by the Council to investigate and report on a specific subject do so on the understanding that, though they collectively accept responsibility for the work as a whole, each

## FOREWORD

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a useful contribution to the literature of the subject, they do not necessarily subscribe individually to every statement in the book.

ASTOR

*Chairman of the Council.*

CHATHAM HOUSE,  
10 ST. JAMES'S SQUARE,  
LONDON, S.W. 1.

*June, 1937.*



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## ABBREVIATIONS FOR REFERENCES

- I.L.O.** International Labour Office.  
**R.I.I.A.** Royal Institute of International Affairs.  
**D.O.T.** Department of Overseas Trade.  
**Annual Colonial Reports** [*colony*] [*date*]. Annual Report on the Social and Economic Progress of the People of the ....., ....., H.M.S.O., Col. No. ....  
**Mandate Report** for [*territory*] [*date*]. Annual Report to the Council of the League of Nations on the Administration under Mandate of the Territory of ....., ....., H.M.S.O., No.....  
(with foreign variations of title).  
**I.P.R.** Institute of Pacific Relations.  
**I.L.I.** *Industrial and Labour Information*, published by the International Labour Office.  
**P.M.C.** Permanent Mandates Commission.  
**Y.B.C.O.D.** *Year Book of Compared Colonial Documentation*.



## INTRODUCTORY

THIS book aims at providing a general review of the colonial problem in such a form as will serve both as a guide to the general reader and as a convenient work of reference for the specialist. It is divided into three main sections covering respectively the international aspect of the colonial question, the different forms of colonial administration, and such special problems as colonial investment, trade, finance and settlement. Appendixes are added giving additional information on specific questions.

The controversy aroused by the international aspect of the colonial problem has thrown too great an emphasis upon purely territorial questions and has allowed the intricacy and diversity of the colonial problem as a whole, and especially the relation between the governing and the governed, to fall into the background. This book endeavours to readjust these proportions and to show that the colonial problem cannot be reduced to some simplified conflict between the 'haves' and the 'have nots', but is concerned with a process of dynamic development rather than with a static collection of territorial and economic facts.

Even if we were to assume (as we do not assume) that the several colonial empires constitute homogeneous aggregates from which definite slices can be cut for the satisfaction of non-colonial Powers, the problem of such distribution would still not be easy.

In the first section of this book we have tried to examine the 'value' of colonies from their political, military, and economic aspects, and we have suggested that this 'value' is relative rather than absolute. We have also shown that the diversity in the different types of colonial administration, varying from self-government to absolute rule, or from indirect rule to assimilation, would render it impossible to find any general principle applicable to a redistribution of colonial possessions. We have examined also the incidence and application of the 'open door' and the mandate system, and have indicated that the principles underlying these systems may prove contagious and may gradually alter the whole nineteenth-century conception of colonization.

In the second section we have considered the relation between the colonizers and the colonized. We have drawn attention to the extremely interesting demographic problems which are arising in Africa and elsewhere; we have examined the nature of such expressions as 'indirect rule' and the 'dual mandate'; we have considered

labour problems, the question of detribalization, the ultimate purposes of the several colonial administrations, and those principles which the several administrations hold in common as well as those upon which they differ.

In our third section we have concentrated mainly upon the economic aspects of colonial development, including the problems of employment and settlement.

We are aware that in formulating the problem from so many different angles we are presenting, not a simple pattern, but the pieces of a pattern which has yet to be devised. We claim that we are correct in this representation and that much loose thinking on the colonial problem is due to over-simplification of the issues and to unawareness of the infinite gradations and exceptions involved.

Our first point therefore is that the problem is not a uniform problem. Expansion outwards from Europe has been going on for centuries, and there can thus be no sort of uniformity in the relations between the colonizer and the colonized. Where the imperial Power has been long in control there has been progressive adjustment of some kind over the whole period. Change of environment has affected the colonizers to some extent, and long-continued contact has brought enormous changes to the native populations. Where the contact is more recent the changes accomplished are not so marked, but, with the accelerated pace in every department of life, they are likely to be more rapid than they were in older colonies. Again, there is little in common between colonies of white settlement and colonies where there is no such settlement. In the colonial world there is necessarily a process of evolution based upon differences in the level of civilization between the related parties, differences which are lessened with the progress of education and the development of material wealth among the subject peoples.

Nor is this diversity of origin and development the only circumstance which should discourage students from over-simplification. There is also the important fact that the whole conception of the purposes, and therefore of the methods, of colonization is undergoing rapid modification.

There has been a change since the War in the view which governments take of their responsibilities toward subject peoples. Anthropological studies of the effects of the impact of Western civilization on more primitive ways of living have aroused serious anxiety among those interested in colonial administration. It has been realized that negative action, such as the prohibition of the import of spirits and noxious drugs, and the prevention of manifestly anti-social practices,

is not enough ; that the peoples whose ancient sanctions for the conduct of life are being broken down by the new order of government and the introduction of organized production must have something positive to put in their place ; and that the framework of native society may with advantage be actively supported, so that development towards a new way of life may be a natural rather than an artificial growth. The danger of any sudden grafting of Western ideas on primitive civilisations is increasingly realized. The new policy, however, demands knowledge, tact, and forbearance, and is not applicable when the governing Power desires to exploit the riches of the colony as quickly as possible.

These diversities and changes are to be noted mainly in the methods and point of view of the colonizers. There have also occurred changes in the point of view of the colonized. African communities are becoming more aware of the benefits to be derived from their metropolitan Powers in such directions as education, sanitation, and transport. Recently the Abyssinian episode has also afforded convincing proof of the need of some external protection. Even the Filipinos, now that independence is within their grasp, are beginning to doubt whether such independence is really more valuable than the security provided by the protection of the United States.

A further change which must be noted is the growing sense among colonized peoples of their national identities. Jamaica, for instance, is becoming an organic community with a deep interest in its present and future and a perfectly natural pride in its position as a member of the British Commonwealth. It is possible, as we indicate later, that the development of this self-consciousness may transfer to colonial areas the militant nationalisms from which we suffer in Europe. Yet emergence from purely tribal to international (and even racial) consciousness may possess valuable, as well as dangerous, elements and, in any case, must be carefully observed.

It is desirable to put behind us, as a thing of the past, the semi-feudal notion of colonies as dependent territories, and of their inhabitants as tools for the exploitation of their resources, and to think in terms of human communities with their own social systems, their own aspirations, and their possibilities of development within the orbit of their own culture and natural environment. On this showing the distinction between self-governing colonies and Crown colonies has its uses, but it is one which will gradually diminish with the training of each community in social and political responsibility.

It is hoped that this book, with the material which it provides, may contribute to a constructive appreciation of the colonial problem



as it stands to-day. But it is also hoped that many other questions, which are only hinted at in our examination, will be suggested to the reader, and that this book may, therefore, not merely reflect and illustrate existing facts and problems but also indicate what are likely to be the main tendencies of the future.

**PART I**  
**THE INTERNATIONAL ASPECT**

- I. The Colonial Empires.
- II. Strategic and Military.
- III. The Economic Value of Colonies.
- IV. Equality of Economic Opportunity.
- V. The Mandates System.
- VI. Transfer of Colonial Territory.



## CHAPTER I

### THE COLONIAL EMPIRES

Extent and distribution—colonial Empires defined—pre-War German colonies—fragmentation of colonial Empires—classification of colonies according to their potential uses—motives for the acquisition of colonies—economic imperialism—changes in French and German attitudes—integrity of colonial territories—potential colonial areas—colonial disputes and danger of war—pre-War clashes.

COLONIAL dominion is by no means evenly divided. Two European Great Powers, Great Britain and France, have large colonial empires, and three of the British Dominions, the Commonwealth of Australia, New Zealand and the Union of South Africa, have important dependencies. A third European Great Power, Italy, has colonies large in area but poor in resources and population; her colonial resources may be strengthened if she consolidates her conquest of Abyssinia. Three minor European Powers, the Netherlands, Belgium and Portugal, have considerable empires, all of them rich or potentially rich in resources; and two others, Denmark and Norway,<sup>1</sup> have unimportant possessions. Spain still holds the remnants of a once great empire; the importance of her possessions from the political and strategic point of view has been brought into prominence by the international complications arising out of the Civil War. The only European Great Power (if Poland is denied that appellation) which has no colonial dominion is Germany. The Union of Socialist Soviet Republics, though she has no 'colonies' in the strict sense of the word, has what is virtually a great colonial empire in Asia. Japan is a colonial Power of considerable and increasing importance, while the United States tends to reduce her colonial responsibilities. The two Great Powers which are richest in man-power and resources within their own boundaries are the United States and the U.S.S.R. If the British and French Empires are taken as a whole they are rich in both, but, since their component parts are scattered, there is not the same concentration of strength, and commitments for defence are consequently heavier.

<sup>1</sup> The Norwegian claim to rights in East Greenland on the ground of occupation was rejected by the Permanent Court of International Justice on April 5th, 1933, in a judgement of great interest from the international standpoint. Norway definitely established her claims to Spitzbergen, Bear Island, and adjacent islands (Svalbard) by a multilateral treaty signed at Paris on Feb. 9, 1920. Ratifications were delayed, and effective occupation took place in 1925. Svalbard is deemed a part of the Kingdom of Norway, not a colony. Its coal proved extremely valuable to Norway during the War.

i. *Extent and Distribution*

Areas and populations of colonial territories in the continents of Europe, Asia, Africa, the Americas and in the Pacific are shown in Appendix I. Area alone does not offer any criterion of importance—a square mile of even ice-free land in Greenland or of Libyan, Saharan or Kalahari desert is not comparable with a square mile of fertile land in Java. But the two taken together provide useful indications; where density of population is very low, it may be assumed that the territory in question is poor in natural resources. There may, of course, be other reasons making occupation worth while: Aden and Gibraltar are not held by Great Britain for what they produce, nor does the Union of South Africa continue to finance South West Africa, much of which is waterless desert, for its diamonds and pelts; the primary reason for the continued exercise of the mandate is security. The figures of population are of varying accuracy; they are reasonably exact for advanced colonies, but in primitive communities census-taking usually involves some conjecture. With these reservations as to their significance the following gross figures are given. They include colonies, protectorates and mandated territories, although only the first are, strictly speaking, national territory,<sup>1</sup> and the degree of authority exercised by the metropolitan Power in the others varies greatly.

From these figures are excluded the British Dominions, which, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations, are autonomous communities within the British Empire, equal in status and not subordinate one to another or to the mother country in any aspect of their domestic or external affairs. India is also excluded.<sup>2</sup> South Africa, Australia and New Zealand are themselves colonial Powers. It has to be remembered, however, that equality of status does not necessarily involve equality of function.<sup>3</sup> India stands in a

<sup>1</sup> For a description of the status of the various territories see the Appendix, 'Forms of Government', and for the position of mandated territory the section on 'titles of possession' included in Chapter VI on Transfer of Territory. See also E. Moresco, *Les Rapports de droit public entre la métropole et les colonies, dominions et autres territoires d'outre-mer* (Paris, Recueil Sirey, 1937).

<sup>2</sup> For a full exposition of the international and constitutional status of these States, see *The British Empire*, R.I.I.A. (Oxford University Press, 1937). See also Resolution IX of the Imperial War Conference, 1917 (Cmd. 8566 of 1917, p. 5).

<sup>3</sup> See the famous Balfour Declaration of 1926 and, particularly, the qualifying passage: 'Equality of status, so far as Britain and the Dominions are concerned, is thus the root principle governing our inter-imperial relations. But the principles of equality and similarity, appropriate to *status*, do not

TABLE I

*Total Area and Population of the Colonies, Protectorates and Mandated Territories of the Metropolitan Powers*

<i>Metropolitan Powers</i>	<i>Area (in square miles)</i>	<i>Population (latest estimate)</i>
United Kingdom <sup>a</sup> . . . . .	2,375,000	61,500,000
Union of South Africa . . . . .	317,700	359,500
Commonwealth of Australia . . . . .	183,500	785,500
New Zealand . . . . .	1,200	67,700
France <sup>b</sup> . . . . .	4,502,500	63,552,000
Netherlands . . . . .	793,280	64,697,000
Japan . . . . .	101,400	29,280,000
United States . . . . .	711,500	14,143,900
Belgium . . . . .	941,860	12,900,000
Portugal . . . . .	807,900	8,720,000
Italy . . . . .	924,800	2,485,000
Spain . . . . .	129,000	1,005,000
Denmark . . . . .	120,820	17,000
Norway . . . . .	24,294	1,000
Condominium:		
Anglo-Egyptian . . . . .	1,008,100	5,728,000
Anglo-French . . . . .	5,700	60,000

<sup>a</sup> Including Southern Rhodesia.

<sup>b</sup> Excluding the Mandated Territory of Syria and Lebanon, since the mandate is in process of liquidation.

Source: See Appendix I.

category by herself. In anticipation of self-government she was made an original State Member of the League of Nations. But even when the Government of India Act, 1935, is fully in operation, there will remain for some time important limitations on her independence. There are other British countries whose status is indeterminate. Newfoundland, the oldest British colony, acquired Dominion status, but did not exercise all the rights of equality; under stress of economic depression she placed her government in commission, and her position now resembles that of a Crown Colony. Southern Rhodesia enjoys responsible government, but foreign relations and native affairs are 'reserved' questions.<sup>1</sup> The province of Burma was separated

universally extend to function. Here we require something more than immutable dogmas. For example, to deal with questions of diplomacy and questions of defence, we require also flexible machinery—machinery which can from time to time be adapted to the changing circumstances of the world.' Imperial Conference, 1926 (*Summary of Proceedings*, Cmd. 2768 of 1926), pp. 14–15.

<sup>1</sup> Her affiliations in London are with the Dominions Office. A delegation from Southern Rhodesia attended the Ottawa Conference at the invitation of the Canadian Government, and concluded trade agreements with the United

from India by the India Act of 1935. Burma has received a constitution providing a considerable measure of self-government, and Burman representatives sat in the Imperial Conference of 1937. The areas and populations of these countries whose position is still short of Dominion status are as follows:

TABLE II

*Area and Population of Newfoundland, Southern Rhodesia and Burma*

Country	Area (in square miles)	Population (1935 estimate or latest available figures)
Newfoundland . . .	275,134	289,516
Southern Rhodesia . . .	150,344	1,289,000
Burma . . .	233,492	14,500,000

The British Colonial Empire, as defined in official publications, forms a relatively small part of the dominions of the British Crown, which, including the United Kingdom, accounted in all for about 11½ million square miles and nearly 480 million people, according to the censuses of 1931.<sup>1</sup> Of this total population India alone accounts for 351 million souls.

In current international controversies on the colonial question the British Colonial Empire is sometimes assumed to be identical with the area coloured red on English maps.<sup>2</sup> For English readers the distinction between the Dominions and India, States Members of the League of Nations, and the Colonial Empire properly so called is clear enough. If account is taken of all dependent territories which are not eligible<sup>3</sup> for membership of the League of Nations, the British Colonial Empire figures given in Table I must be supplemented by the figures given in Table II for Burma and Newfoundland.

The French Colonial Empire is greater in area, though not propor-

Kingdom and Canada, and her government was represented at the London Conference on Economic Consultation and Co-operation in 1933. Her representatives at the Imperial Conference of 1937 were officially called 'observers'.

<sup>1</sup> The figures quoted here do not cover the Sudan (Anglo-Egyptian Condominium), claims on the Antarctic Territories or the mandated territories (which are not 'British territory'). See *Statistical Abstract of the British Empire*, 1935, pp. 3-4.

<sup>2</sup> Colonial statistics used by foreign writers often include India in the British Colonial Empire. See the comparative figures of colonial empires given by M. de Michelis in *World Reorganization on Corporative Lines*, English translation (London, Allen & Unwin, 1935), p. 253.

<sup>3</sup> 'Any fully self-governing State, Dominion or Colony' whose admission is agreed to by two-thirds of the Assembly, provided it fulfils the prescribed obligations.

tionately in population (the French African empire includes a large part of the Sahara Desert), than the British dependent Empire as shown in Table I. It is arguable, however, that large parts of the French Empire might be deducted as being not strictly colonial in character. Algeria is under the Ministry of the Interior, and Tunis and Morocco are protectorates attached to the Ministry of Foreign Affairs. Not only Algeria, but the older French colonies of Réunion, Martinique and Guadeloupe, are represented in both Houses of the French legislature, and French India, Senegal, Guiana and Cochin China in the Chamber of Deputies. The Conseil Supérieur des Colonies contains representatives from most French colonies. Yet no part of the French Colonial Empire can be said to enjoy fully responsible government, and, indeed, control is as far as possible centralized in Paris. In fact, a comparison with the British figures, which exclude the vast Indian Empire, not yet completely self-governing, is in some respects misleading.

Italian colonies in Africa are poor, but, if Italy consolidates her conquest of Abyssinia, she will hold in eastern Africa a potentially important block of territory which she has declared her intention of organizing on a military basis.

Similarly, figures for Japan do not represent her full strength outside Japan, since her special position in Manchukuo may well be taken into account. Manchukuo<sup>1</sup> was occupied by Japanese armies in 1931; and on February 18th, 1932, the three Chinese provinces of Heilung-Kiang, Liaoning (Sheng-King) and Kirin, collectively described as Manchuria, together with the province of Jehol, were proclaimed an independent State, of which in January 1933 Mr. Pu Yi was declared Emperor. Only Japan, San Salvador, and the Dominican Republic have recognized the new State,<sup>2</sup> which is effectively under Japanese domination.

The United States has no acknowledged colonies and no colonial department.<sup>3</sup> The 'outlying territories' which she still holds in the

<sup>1</sup> Area, about 500,000 square miles; population, 30,879,717 (1933 estimate).

<sup>2</sup> It is tacitly recognized by the International Postal Union.

<sup>3</sup> The American Declaration of Independence was a protest against colonial status and a charter of equal rights for subject nations, since it laid down the principle that nations had the right, if they so desired, to 'assume among the powers of the earth the separate and equal station to which the laws of Nature and Nature's God entitled them'. Consequently the notion of colonial status is repugnant to American thought. Its extension in the American continent is excluded by the Monroe doctrine. The doctrine was proclaimed in a new context in President Wilson's insistence on the right of self-determination. Therefore American acquisitions of territories have been followed in due course by the rights of statehood on the mainland of North America, and the position of the 'outlying territories' is in some sense a political anomaly. There were



Caribbean and in the Pacific are regarded as essential to the effective defence of the Panama Canal and of trans-Pacific communications.

Russia has no colonial empire properly so called, since the whole territory controlled by her is included in the Union of Socialist Soviet Republics, with the exception of the People's Republic of Outer Mongolia. This is an autonomous republic allied by a treaty of 1924 to the U.S.S.R., and its international status is not clearly defined. Outer Mongolia has been gradually sovietized, and in 1934 the U.S.S.R. practically monopolized the trade of the republic, the frontiers of which are closed to Manchukuo and Japan. Although there is *de facto* control by the U.S.S.R., no steps have been taken to deny the nominal suzerainty left to China in the Sino-Russian Treaty of 1924; but on March 1st, 1936, M. Stalin spoke to an American press representative of the 'independence' of Outer Mongolia. On March 15th, 1936, a protocol was signed at Moscow providing for a military alliance between the U.S.S.R. and that country. Russia has colonized northern and large parts of central Asia, just as the Americans colonized the American west; she is one of the greatest owners of partially developed territories in the world, but is omitted from Table I, since her territories are fully incorporated or in process of incorporation in the same way as the south-west and western territories have been incorporated in the United States. The U.S.S.R. is a federation of States which are autonomous for certain purposes, but subject to central administration for key services.

## ii. *Pre-War German Colonies*

In the last quarter of the nineteenth century Germany became a colonial Power. By agreement with France in 1911 she added to her territory in West Africa and in return recognized the priority of French interests in Morocco. At the outbreak of the World War the German colonial Empire was estimated to include 1,000,000 square miles and a native population of 12,000,000. Since the greater part of these territories lay in the tropics the white population was small, totalling only 24,389. The list of the German colonies and dependencies is given in Table III.

The great efforts to consolidate her colonial gains made by Germany in the fifty years before the World War were not inspired by the desire to provide for German emigrants, who went to foreign

economic reasons for desiring the independence of the Philippines, but the constitutional doctrine probably plays some part in the haste to endow the islands with self-government.

countries, but by the desire for markets and even more, perhaps, for the prestige attached to colonial dominion and, to use the phrase current in those days, for a 'place in the sun'. Germany's grievance in the loss of her colonies is partly the loss of invested capital<sup>1</sup> and of the control of natural resources, and perhaps most of all the loss of position as a world Power.

TABLE III  
*German Colonies before the War*

<i>In Africa</i>	<i>Date of acquisition</i>	<i>Estimated area (in sq. m.)</i>	<i>White population</i>	<i>Estimated native population</i>
Togo . . . . .	1884	33,700	368	1,031,978
Kamerun* . . . . .	1884	191,130	1,871	2,648,720
German South West Africa	1884-90	322,450	14,830	79,556
German East Africa . . .	1885-90	384,180	5,336	7,645,770
Total African Possessions	1884-90	931,460	22,405	11,406,024
<i>In Asia</i>				
Kiauchau . . . . .	1897	200 <sup>b</sup>	..	168,900
<i>In the Pacific</i>				
German New Guinea:				
Kaiser Wilhelm's Land .	1885-6	70,000	..	..
Bismarck Archipelago .	1885	20,000	..	..
Caroline Is. . . . .	1899	560	1,427	600,000
Palau or Pelew Is. . . .	1899	250	..	..
Marianne Is. . . . .	1899	4,200	..	..
Solomon Is. . . . .	1886	150	..	..
Marshall Is. . . . .	1886			
Samoan Is.:				
Savaii . . . . .	1889	660	557	34,579
Upolu . . . . .	1899	340		
Total Pacific possessions .	1884-99	96,160	1,984	634,579
Total overseas dependencies	1884-99	1,027,820	24,389	12,209,503

\* Not including the 107,270 sq. miles with a population of 1,000,000 conceded (1911) by France, but including the 6,450 sq. miles conceded by Germany to France.

<sup>b</sup> Exclusive of the Bay with an area of about 200 sq. miles.

Source: *Statesman's Year Book*, 1914, p. 923.

### iii. *The Fragmentation of Colonial Areas*

If the statement of areas and population given in Appendix I is read with the map, the composition of colonial areas is shown to be

<sup>1</sup> The terms of the Treaty of Peace relevant to the financial settlement are embodied in Articles 120-5 and 257 and 260 of the Treaty.

extraordinarily haphazard. The territories have been acquired at different times and for different reasons ; many of them have changed hands more than once ; their frontiers have sometimes been drawn as a result of political bargaining and with an entire disregard of racial affinities or of economic conditions. In Africa the boundaries are often straight lines cutting across tribes, rivers and natural communications, and for political reasons there are left standing many enclaves which present serious obstacles to the development of natural wealth and an ordered economic life. There are strong reasons for believing that the economic interests of West Africa are indivisible, but a glance at the map shows that far the greater part of the area is in the hands of France, while the more important coastal outlets (and what are probably the richer territories) are in the hands of Great Britain. The Senegal river basin, it is true, is entirely French ; but the headwaters of the Gambia river are in French territory, while Great Britain controls Bathurst, the coast, and a strip on either side of the river for about half its total course.<sup>1</sup> The course of the upper and middle Niger is under French control, but the lower Niger is in Nigeria.<sup>2</sup> On the west coast there are also the four British territories of Gambia, Sierra Leone, the Gold Coast, and Nigeria, the independent native State of Liberia and Spanish Guinea ; and on the Sahara coast the Spanish Rio de Oro. Similarly, though there should be a community of conditions and interests in central equatorial Africa, the area is artificially divided between France, Belgium and Portugal.

In northern Africa, French territories and protected territories form a block broken only by the Spanish zone in Morocco and the Ifni enclave ; differences of administration, however, are imposed by the different conditions in which Morocco, Algeria and Tunis were acquired.

With the exception of Mozambique, East Africa, containing high-land areas in which white men can make their homes, is under British control to the boundaries of Abyssinia, and, if the Sudan is included, to the boundaries of Egypt. These territories have a different past and presumably a different future from that of equatorial or western

<sup>1</sup> The exchange of Gambia for French Dahomey was the subject of prolonged discussion in the 'seventies (see Lord Lugard, *The Dual Mandate in British Tropical Africa* (London, Blackwood, 1929), p. 54). During the Anglo-French colonial discussions in 1903 Delcassé, through Cambon, asked (Oct. 26) for the cession of Gambia in return for the surrender of certain rights in Newfoundland. Lansdowne refused, but offered a rectification of boundaries on the Niger.

<sup>2</sup> For the Franco-British Agreements which to some extent reduce these disadvantages see Chapter XI, section v.

Africa. Among their problems are those of contact between white settlers and African races. Even here, differences in administration and control due to the circumstances of their acquisition and the nature of their economy introduce certain factors limiting economic and political development.

In southern Africa, the Union is the centre of a wider economic region which covers more or less the three British protectorates, the mandated territory of South West Africa, the two Rhodesias and Portuguese East Africa. On the other hand, Northern and Southern Rhodesia have close links with the Katanga district in Belgian Congo and with Nyasaland. Portuguese East Africa contains at Delagoa Bay and Beira the natural outlets for the Transvaal, the Rhodesias and Nyasaland. There are two main centres of industrial activity: the Johannesburg mines, drawing labour from the whole of the south-eastern area, and the Northern Rhodesia and Katanga mines, which also draw labour across political boundaries. There are also close economic links between Kenya, Uganda and Tanganyika, and between Nyasaland and Northern Rhodesia. There are difficulties, which need not, however, be regarded as insuperable, in the way of extending the customs union either of the Union of South Africa or of British East Africa. It is not yet certain whether the Rhodesias will move towards closer economic relations with the Union of South Africa, whether they will secure amalgamation of Northern Rhodesia and Southern Rhodesia into one colony, or whether other circumstances will bring them into closer connexion with central and east Africa. The course of events will naturally be determined in part by the construction of new lines of communication. The Benguela railway has already diverted some part of the trade of the Belgian Congo, and to a less extent that of Northern Rhodesia, from Beira and Capetown to Lobito Bay on the west coast.

The West Indies are divided between Great Britain, the United States, the Netherlands and France, and are being increasingly drawn for economic purposes within the orbit of the two North American countries. In the north Pacific Japanese influence is preponderant, and Japanese economic penetration in the Philippines is important, though the archipelago is still under the aegis of the United States. The rich East Indies, Burma, Malaya, Indo-China and Netherlands India are in the hands of Great Britain, France and the Netherlands. In the southern Pacific, Australia and New Zealand have large interests, and probably in course of time the islands under direct control by Great Britain will come more and more under their influence. American interests are largely strategic; the French possessions

are not important. At some future time there may be some reorganization of these scattered possessions, perhaps on the lines on which Holland and England settled their claims in Eastern waters in 1824. The African situation remains uncertain.

#### *iv. Classification of Colonies according to their Potential Uses*

The colonial areas listed above show the widest variety of conditions, from the densely populated areas of Java and the Straits Settlements (83 and 726 persons to the square mile respectively) to the deserts of Mauritania (1 person per square mile) and the snows of Greenland (0.1 person per square mile of ice-free land). There is a similar diversity in the degree of authority exercised, in the forms of government and in the prevailing economy. Forms of government vary from a loose protectorate to a close bureaucratic organization, and the aims pursued by the governing Powers vary as greatly as the governmental organization. A rough classification of colonies according to the kind of advantage sought from them may be attempted as follows:

1. Posts which have a strategic value as bases controlling bottle-necks of traffic, as refuelling stations, or as centres of cable communication and wireless stations.<sup>1</sup>

2. Colonies in which land is available for settlement: the British Dominions before they emerged from colonial status; in Africa, parts of the Portuguese territories of Mozambique and Angola, the highlands of Rhodesia, Nyasaland, Tanganyika and Kenya; the greater part of the coastal regions of French and Italian northern Africa.

3. Colonies offering opportunity for agricultural production directed by Europeans but carried out by native labour. The West Indies were colonized by various European nations on this basis, originally mainly for the production of sugar; Netherlands India, Ceylon, Straits Settlements, the Guianas, parts of east Africa and to some extent the Congo fulfil these conditions. In the Sudan large-scale land exploitation is carried on by a system of co-operation between the Government and private capital and the native.

4. Colonies valuable especially for supplies of certain raw materials, e.g. Nauru and Ocean Island for phosphates, Malaya for rubber, and Nigeria, Gold Coast, Netherlands India, Malaya, Rhodesia and other countries for mineral deposits.

5. Countries in which native farming or semi-nomad pastoral life preponderates and European estates and European settlement are negligible. This applies to a large part of west and equatorial Africa,

<sup>1</sup> See Chapter II.

to Uganda and to the Somali coasts. The interest of the colonizing Power in these cases is mainly trade, though there may be other subsidiary interests.

These classifications overlap, and one colony may present two or more of these advantages. There is, however, a fairly clear distinction between colonies acquired for the settlement of nationals of the colonizing Power and colonies in which the invader took possession of natural resources or some part of them for exploitation by native labour, but did not attempt settlement.

#### v. *Varying Motives for the Acquisition of Colonies*

/ Dr. R. Gale Woolbert<sup>1</sup> in an analysis of the components of power, has laid stress on

- (a) military power: man-power; raw materials; military, naval and air equipment; strategic frontiers; naval and air bases; lines of communication;
- (b) economic power: industrial organization; self-sufficiency; financial strength;
- (c) prestige, as reputation for power.

Part of this book is concerned with assessing how far these elements of power are reinforced or weakened by colonial dominion. The general assumption that they are inevitably increased is not necessarily true where military and economic power are concerned. But there is little doubt that colonial dominion, unless there is gross misgovernment which shocks world opinion, does confer prestige. There is some enhancement of prestige in the acquisition of territory; moreover, reputed strength and reputed willingness to use force may, in an imperfect world, be very effective in gaining points in diplomacy.

All these considerations, reflected in the classification of colonies attempted on the previous page, have counted in the building up of colonial empires. Different motives have been paramount at different times. The motives alleged to-day by aspirant Powers are mainly economic—opportunities for settlement, trade, the exploitation of raw materials. Prestige has rarely been an alleged motive. But, even if it were possible to prove that no material advantages are secured by colonial dominion, the desire for colonies might still persist.

The acquisition of strategic points and the maintenance of the balance of power have played their part in colonial expansion. In

<sup>1</sup> In a document submitted to the International Studies Conference of 1937.

the second half of the nineteenth century they accounted in the Mediterranean for the action of France in Algiers, Tunis and Morocco; of Italy in Tripoli, and of England in Egypt and Cyprus. They account to-day for the maintenance and extension of British foci of influence in the Persian Gulf and other parts of the Near and Middle East, and in part for American intervention in the islands and shores of the Caribbean Sea. Prestige played a large part in Italy's Abyssinian adventure:

'If you take the Italian case as an example,' writes Sir Norman Angell, 'the economic justifications that Mussolini makes do not stand ten minutes' examination. But he has a very great case for the conquest of Abyssinia if the security of Fascist Italy is to depend solely on Italy's own strength, her preponderant power. If so, she must be stronger than any possible rival. That feeling sets up an impulse towards territorial expansion as a source of man-power, strategic frontiers, what you will.'

It is true that there have been more tangible objects of colonization ever since in the sixteenth century Spain went to South America in search of fabulous supplies of silver and gold. In the East Indies, colonization by all the Powers was in the first instance the outcome of the desire for spices and other products. The earliest settlements on the coast of Africa were slave-trading settlements. But there is substance in Mr. Leonard Woolf's contention that 'economic imperialism', as it developed in the closing years of the nineteenth century, represented a change in public opinion. The imperialism of Lord Beaconsfield and his followers in the preceding decades, he argues, was sentimental rather than utilitarian, and had its roots in an 'attitude of superiority towards other civilized nations' rather than in a determination to exploit uncivilized peoples commercially.

'*Empire to Disraeli* and his followers was not Commerce, but imperial pomp and circumstance and titles, dominion and war, ships and men and money too. It was a policy conceived in terms of Power and Prestige rather than of money-making and markets. In the ninth decade of the nineteenth century, however, the new economic imperialism fully and finally established itself. In the great States of Europe, now completely industrialized, political power had passed from the hands of birth into the hands of wealth, and the political ideals of rule and power and prestige gave way to those of commerce, industry, and finance.'<sup>1</sup>

In France the new doctrine of economic expansion found its great advocate in Jules Ferry, long derided at home, but now recognized as

<sup>1</sup> L. Woolf, *Empire and Commerce in Africa. A Study in Economic Imperialism* (London, Allen & Unwin, 1920), p. 24.

the true founder of the second French Colonial Empire. In Joseph Chamberlain Great Britain found a colonial minister determined to rescue the colonies from the neglect they had long suffered and to continue the policy of expansion advocated by Seeley and Dilke and put into effect by Lord Rosebery and Lord Salisbury.

There is abundant evidence of the predominance of economic motives for seeking extension of colonial dominion at the end of the nineteenth century; but without the desire for adventure and romantic achievement among the men who carried out the work, the conquest of Africa would never have been accomplished. The missionary work of Livingstone, the exploits of Brazza, Liotard, Faidherbe, and Marchand in the race for dominion in west and central Africa, the achievements of Goldie and Lugard, the work of Nachtigall and Carl Peters, the dreams of Cecil Rhodes—all these fired the imagination of their fellow countrymen. The possession of colonies was associated in the public mind with adventure and romance, with the struggle of the pioneer colonists against heavy odds, with records of heroism and endurance. But in the counsels of statesmen economic considerations had begun to be the primary factor in seeking colonial expansion, and the glamour surrounding colonial adventure was exploited by them for economic ends.

The recent depression, with the consequent diminution of international trade, led to a keener scrutiny of the possibilities of the colonial market, to a revival of mercantilist ideas and to the closer reservation of colonial facilities to the metropolitan Power. With dwindling areas of reasonably free trade in independent countries, even the smaller colonial markets which may be controlled have acquired importance. In its turn this aggravates the international situation by convincing the non-colonial Powers of the reality of advantages they are not allowed to share. Moreover, it is felt that the allocation of mandates by the Principal Allied and Associated Powers upset the balance already unjustly weighted. The question of whether the mandatory Power and its nationals do in fact secure a net balance of advantage may be disputed; the non-mandatory Powers think there are such advantages.

The popular French view of the colonial empire has undergone great changes since the days of violent opposition to Ferry's policy. M. Albert Sarraut, writing in 1923, said that the sight of transports bringing resources of all kinds, and native soldiers and workers, to the help of France, had built up a picture in the French mind of a Greater France depending for her security no longer on forty million but on one hundred million human beings. No longer need France,



in time of financial stress, rely upon foreign sellers of raw materials, food and essential commodities. The French Colonial Empire already showed a trade of more than twelve milliard francs, a figure which might be tripled if his own plan for a great loan for colonial equipment were carried to completion. Moreover, there was France's duty to play her part in the larger questions of the development of civilization.<sup>1</sup> M. Sarraut also pointed out that the great work of the development of the colonies meant vast contracts for the metallurgical and allied industries.

Opinion in Germany has passed through various phases. Bismarck was primarily concerned with consolidating German power in Europe. In 1871 he said: 'I do not want colonies at all. Their only use is to provide sinecures. That is all England at present gets out of her colonies, and Spain too. And as for us Germans, colonies would be exactly like the silks and sables of the Polish nobleman who has no shirt to wear under them.'<sup>2</sup> He retained his anti-colonial attitude until 1880, but from that date began to modify this policy as a result of the pressure put upon the German Foreign Office, especially by the great commercial houses of Hamburg. Bismarck had noted the weakening of French power in Europe by the strain put on her financial and military system by her campaigns in Algeria, Tunis and Tongking; and, when he embarked on colonization projects, it was where German traders were already established and where little expenditure was required to secure respect for the German flag.<sup>3</sup> Consideration of the German domestic situation, rather than any deep desire for colonial conquest, led him to press the British Government for concessions. In 1885 he wrote:

'Public opinion in Germany lays so great a stress on our colonial policy, that the Government's position in the country actually depends on its success. I beg you, therefore, not to forget that Egypt itself is quite indifferent to us and is merely a means of overcoming England's objections

<sup>1</sup> Albert Sarraut, *La Mise-en-Valeur des colonies françaises* (Paris, Payot, 1923), pp. 17-18.

<sup>2</sup> M. Busch, *Bismarck. Some Secret Pages of History*, vol. i, p. 522. (English translation, 1898.)

<sup>3</sup> For the pressure put on him by German traders, see Leonard Woolf, *Empire and Commerce in Africa* (London, Allen & Unwin, 1920). Erich Brandenburg, *From Bismarck to the World War* (English translation, Oxford University Press, 1927, p. 18), says that his aim was to provide struggling German traders and others with support in their enterprises in places where no other national flag was flown. But it is also possible, he thinks, that Bismarck was more conscious than was generally realized that the age of European isolation and the control of policy by the European Great Powers was irrevocably nearing its end, and that the formation of a system of world States was impending.

to our colonial aspirations. The smallest corner of New Guinea or West Africa, even if quite worthless in itself, is just now of greater import to our policy than the whole of Egypt and its future.<sup>1</sup>

As intervention in Far Eastern and South African affairs was soon to show, Bismarck's successors were fully persuaded of the importance of colonial enterprise. But in the 'eighties the future German attitude was unforeseen. Sir Charles Dilke pointed out<sup>2</sup> that most of the newly acquired German colonies were countries which had been refused by Great Britain—New Guinea, Cameroons and Zanzibar—and he thought then that German occupation was preferable to French annexation because the Germans did not follow the exclusive commercial policy of the French.

Whatever may have been the attitude of the German rulers in the past, the nature of Germany's desire for colonies to-day is unmistakable. Together with Italy and Japan, she is seeking for territory under her own management, which can form part of her own financial, economic and political system.

#### vi. *Integrity of Non-colonial Territory*

It is an error to consider colonization as a purely overseas development. Some of the most important colonial enterprises have been in contiguous territories. In Asia, the consolidation of Russian power in the Far East, and over the Mongol and Turcoman peoples, has proceeded for the last fifty years and is still going on. It represents an achievement in colonization comparable only to the expansion of the United States in the nineteenth century. A notable extension of power by Japan has taken place in the Far East. The incorporation of border States in the Indian Empire in the interests of defence in the last fifty years is another example. Are these extensions and consolidations in themselves desirable? If they are not desirable, it is essential that some means should be found to strengthen the governments of what may be called potential colonial areas without infringement of their sovereignty.

The incentives to intervention are generally failure to develop resources or inability to keep order on the frontiers or to defend neutrality. Failure may be due to paucity of capital, of man-power or of organizing ability, or to all of them, and assistance from outside is then perhaps inevitable. The reason why it is not always acceptable, even when amicably offered, is that the terms of the offer usually

<sup>1</sup> Bismarck to Count Münster, January 25th, 1885. *German Diplomatic Documents, 1871-1914* (English translation, London, Methuen, 1928), vol. i, p. 189.

<sup>2</sup> *The Present Position of European Politics*, 1887 (London, Chapman & Hall), pp. 53-5.

express or imply some infringement of jealously guarded national sovereignty ; and the experience of poorer States which have accepted financial or other assistance justifies to some extent the fear of incurring such obligations. Yet such assistance is essential if extension of 'colonial areas' is not to take place at the expense of sovereign States. This extension may be secured by military action, and war begun in a colonial area may be difficult to localize. It is therefore in the interest of the peace of the world at large that assistance should be forthcoming on acceptable terms ; the best method may be found to be international assistance not conferring exclusive rights of recovery of costs on any one State—the method adopted for the maintenance of existing States in the Austrian, Hungarian and Greek reconstruction schemes of the post-War years.

The situation of potential colonial areas must be borne in mind as part of the background of the colonial problem, and as a reminder that neither independent States nor colonial areas are unchangeable in status. The American colonies of the eighteenth century became the United States at its close ; they gradually extended their rule to the Caribbean Sea on the south and the Pacific on the west, and became one of the greatest of world Powers in the twentieth. The evolution of British States outside the United Kingdom to Member States of the League of Nations has taken place during the present century. The integrity of China has been violated within living memory.

The present weakness of China is not merely a matter of local concern. It means loss to the world at large. Would India be in the same condition as China if British protection were withdrawn ? Great Britain hesitates to give full independent status to India until she is assured that in fact India possesses a central government whose writ runs through the whole of the sub-continent.

The truth is that the colonial area of one decade may be part of a sovereign State in the next, or may itself become a sovereign State. The position is never static. Two acute observers, Sir Alfred Zimmern and Professor Moritz Bonn, have emphasized the contrary processes of disintegration and centralization, of colonization and 'counter-colonization', which are constantly taking place in empires.

Some of the colonized areas—North and South America, for example—after absorbing the civilization of the colonizers, have become national independent States. The whole of the American continent is protected by the Monroe doctrine from territorial aggression by any outside Power. The financial assistance given by Washington to some Central and South American States has been accompanied

by a degree of tutelage and even in some cases of intervention; but intervention by a non-American Power would be permitted by the United States only in very exceptional circumstances.

If there is colonial expansion to-day it must be in the home territory of sovereign States, or by the cession of colonial areas from one Power to another. Even the inhospitable Polar regions have been parcelled out.<sup>1</sup> There were only three or four 'backward' nations, in the ordinary sense, which remained outside the colonial systems in 1935, and one of them, Liberia, was protected because of her relations with the United States. Abyssinia had formally protected her independence by gaining admission to the League of Nations. That independence has nevertheless been destroyed, ostensibly on the ground that her backwardness required European tutelage if her resources were to be developed and her people civilized.

### vii. *Colonial Disputes Endanger Peace*

There is little need to elaborate the thesis that disputes over colonial possessions are potential causes of war. It is unnecessary to go back to the colonial wars of the eighteenth century. The Cuban revolt against Spain in 1895 brought tension between the U.S.A. and Spain which came to a head when the *Maine* sank by explosion in Havana harbour on February 15th, 1898. The war that followed all but destroyed Spain's already diminished colonial power, which passed to the United States.<sup>2</sup> The Russo-Japanese War was a colonial war. The first volume of *British Documents on the Origin of the War* is occupied largely with the frictions arising in the colonial field between the Great Powers: the seizure of *points d'appui* in China, 1897-9; the expected dissolution of the Portuguese Empire, and the secret agree-

<sup>1</sup> The reasons for the increasing attention given to the Arctic and Antarctic regions are: (i) the possibilities of mineral wealth in unsurveyed or inadequately surveyed territory; (ii) the importance of these regions in the development of meteorological science, correct weather forecasts having become more essential in the interests of flying (weather conditions in the Arctic have a preponderant influence on the weather of the Northern Hemisphere, and a knowledge of conditions in high and low atmospheric strata is essential to accurate forecasting); (iii) the possibility of air routes in the north providing shorter 'hops' than the Atlantic route between Europe and America; (iv) fishing and hunting rights. See *Report of Committee on Research and Development in the Dependencies of the Falkland Islands*, Cmd. 657 of 1920, and *Annual Report of the Colony*. For particulars of the division of the Polar regions between the Powers see a paper read at Chatham House on Oct. 22nd, 1931, by Mr. P. T. Federspel, and Sir Karl Knudsen's criticism of the Danish case, *International Affairs*, vol. xi, pp. 784-811; *Foreign Affairs*, Apr. 25th, 1933, p. 242; and Y. M. Goblet, *Le Crépuscule des Traités*, pp. 217-30.

<sup>2</sup> The Treaty of Paris, Dec. 10th, 1898, arranged for the cession of Cuba, Puerto Rico, Guam, and the Philippines.

ment made between Germany and Great Britain for the division of the spoils in that event;<sup>1</sup> Anglo-German friction in South and West Africa and the Pacific; Anglo-French conflict on the Niger and at Fashoda. The story is continued in the second volume with the history of disputes over power and prestige in the Far East and North Africa. None of these disagreements led to actual hostilities in Europe, and possibly colonial questions alone would not be pushed to the point of war in the twentieth century in view of the greater risks and dangers of modern warfare, but they certainly create a sense of grievance and ill usage and thus delay any general appeasement. However that may be, European war seemed imminent on more than one occasion, but was headed off by various compromises, and perhaps by the fact that the British fleet in those years had an overwhelming preponderance. 'Bitter is our need of a strong fleet,' said the Kaiser, just after the outbreak of hostilities in South Africa.

In West Africa, where French and British nationals were pushing into the interior, frequent collisions made the situation extremely dangerous in 1897-8. Negotiations on boundary delimitation were in progress in Paris, while the men on the spot were seeking 'effective occupation' to ensure that the delimitation should be favourable to their own side. M. Hanotaux represented to the British Ambassador in Paris, Sir E. Monson, that the most serious aspect of the question was that 'the maintenance of peace locally depends upon the calmness and discretion of subordinate officers, and even non-commissioned officers, and that it is highly improbable that this situation can endure much longer without a collision, which would almost inevitably precipitate a war, for objects which in themselves cannot be worth so grave a calamity'.<sup>2</sup>

More serious was the clash resulting from the determination of France to extend her empire across Africa from Lake Chad to the Nile. Commandant Marchand put up the French flag at Fashoda and was encountered there by Kitchener on September 19th, 1898, in his advance after the Battle of Omdurman. The British Government maintained that all the territories which were subject to the Mahdi had passed to the British and Egyptian Governments by right of conquest. For some days a breach appeared inevitable. On September 30th M. Delcassé told the British Ambassador that all France would resent such an insult to the national honour as the recall of Marchand. 'France would, however unwillingly, accept war rather than submit.' Sir E. Monson replied that he did not see how the

<sup>1</sup> See Appendix II.

<sup>2</sup> *British Documents on the Origins of the War, 1898-1914*, ed. G. P. Gooch and H. W. V. Temperley (H.M.S.O., 1927), vol. i, p. 140 (Jan. 31st, 1898).

British Government could retreat from their point of view. France, on November 3rd, gave way, and final agreement was reached a few months later by a convention (March 21, 1899) delimiting spheres of influence in Central Africa. Speaking on November 9th, 1898, Lord Salisbury said: 'We have had quite recently to consider the question of European war, not, I will say, from a very near distance, but at all events with anxiety.'<sup>1</sup>

More than once in the dispute between Great Britain and the Transvaal and during the ensuing war, relations with other Powers were strained to the utmost, first over the telegram sent by William II to Kruger on January 3rd, 1896, at a time when Great Britain was engaged in hot dispute with the United States over the Cleveland Message (on the Guiana-Venezuelan boundary), which had brought the two countries to the verge of war. The second occasion was when Russia, on March 3rd, 1900, proposed a united intervention by Russia, France, and Germany to persuade Great Britain to come to terms with the Boers. Nothing came of the suggestion, which does not seem to have been entertained by Germany,<sup>2</sup> but it was a sign of the gathering hostility towards Great Britain.

Morocco proved to be a serious storm-centre. On April 8th, 1904, an Anglo-French Declaration giving Great Britain a free hand in Egypt and recognizing French preponderance in Morocco caused serious annoyance to Germany. The Kaiser's visit to Tangier in 1905 (March 31) led to an English offer to give France 'the fullest support' should Germany try to obtain a port on the Atlantic coast of Morocco. The French Cabinet did not support Delcassé's view of this offer, and after his resignation his successor adopted a conciliatory attitude to Germany and ultimately agreed to the German proposal for a conference on Morocco. The worst of the pre-War colonial crises occurred in the summer of 1911, when Germany (July 1) sent two war-ships to Agadir in southern Morocco ostensibly to protect German interests, but in fact to compel the reconsideration of the Moroccan question, supposed to have been settled at the Algeciras Conference five years before.<sup>3</sup> Or perhaps the intention was to secure a bargaining position to wring concessions from France in equatorial Africa.<sup>4</sup> The

<sup>1</sup> 'France had hauled down her flag,' writes Dr. Gooch, 'before a threat of war.' For a full account of the Fashoda incident see his *Before the War. Studies in Diplomacy* (London, Longmans, 1936), vol. i, pp. 94-105.

<sup>2</sup> See Brandenburg, *From Bismarck to the World War* (English trans.), pp. 142-3, and Gooch, *op. cit.*, pp. 227-8.

<sup>3</sup> General Act of Algeciras, Apr. 7th, 1906.

<sup>4</sup> Definite proposals were made to concur in a free hand for France in Morocco and possibly to surrender Togoland in return for the French Congo.

situation was so serious that on the day before Mr. Lloyd George's speech at the Mansion House (July 21), in which he acted as the mouthpiece of the Government<sup>1</sup> in saying that 'peace at any price would be a humiliation intolerable for a great country like ours to endure', the English and French general staffs consulted on the steps to be taken should hostilities occur. Speaking in the House of Commons on the 27th the Prime Minister said that, if the Franco-German conversations broke down, England would be obliged to intervene because she was a party to the Act of Algeciras, because of her agreement with France in 1904 and in defence of her own interests. Anxiety continued into August, since little progress was made in colonial bargaining; and France became convinced that Germany intended war and communicated that impression to London. On August 18th and again at the beginning of September the outbreak of war was expected, though the general public were not this time informed. The Belgian army was mobilized on the former of these occasions. But no one was ready for war; new problems arose with Italy's invasion of Tripoli and consequent war with Turkey, and on November 4th Franco-German agreement was reached. Germany obtained a slight rectification of her Cameroons frontier and access to the Congo, and France a free hand in Morocco as far as Germany was concerned.<sup>2</sup>

The historians of the pre-War years, the editors of *Grosse Politik* and the *British Documents* and other writers, lay stress on the colonial quarrels as contributing largely to the causes of the World War. The failure to solve these problems was not due to any lack of effort, nor was this effort entirely unsuccessful.<sup>3</sup>

<sup>1</sup> See *British Documents*, vol. vii, p. 396.

<sup>2</sup> By Part IV, Sec. V (Art. 141-6), of the Treaty of Versailles Germany renounced all rights, titles and privileges conferred by the Act of Algeciras (April 7th, 1906), the Franco-German Agreements of Feb. 9th, 1909, and Nov. 4th, 1911. Treaties and contracts between Germany and the Sherifian Empire were abrogated. In February 1937 the Valencia Government in Spain offered to reopen the Moroccan question in so far as Spanish Morocco was concerned, expressing their readiness to accept a modification of the status of Spanish Morocco in favour of France and Great Britain. The proposal was linked up with a request that the two Governments would seek to secure the withdrawal of foreign volunteers from Spain. The British Government replied that for the moment attention could usefully be given only to the non-intervention question. The French Government also stressed their interest in non-intervention in the Spanish conflict, and went on to point out that if at any time the situation of Spain in North Africa were raised on the initiative of the Spanish Government its solution could be pursued only in conformity with existing arrangements. (See the report in *The Times*, Apr. 12th, 1937.)

<sup>3</sup> The Convention between Great Britain and Germany for the settlement of the Samoan and other questions was signed in London on Nov. 14th, 1899, and ratified in the following year. Agreement with regard to Samoa was

The repeated moments of tension indicated above were not the only ones. Some surrender of position had always to be made, but with a determination to be better prepared for resistance on the next occasion. The effect of these storms was cumulative. Between France and Great Britain a complete colonial settlement was reached in the agreements signed on April 8th, 1904, which cleared the ground for the close political co-operation which followed.

Colonial territories were pawns in the diplomatic game, and none of the parties to the struggle seem to have been troubled with scruples about the transfer of populations without consulting their desires and interests. It was a naked struggle for power and prestige and markets. A new Anglo-German effort to settle outstanding colonial questions between Germany and Great Britain was made just before the War, when the question of the ultimate destiny of the Portuguese colonies was considered.<sup>1</sup> The arrangements proceeded smoothly, but were interrupted by the outbreak of war.

The Great War was not primarily a colonial war, but colonial rivalries played some part in the events leading up to it. The colonial settlement after the War has left behind much dissatisfaction and the material for new disputes. What may be called, for want of a better term, 'power politics' still play a considerable part in the international colonial question, and some indications are given in the following pages of the part played by colonial dominion in the struggle for world power.

followed by a tripartite convention (Dec. 2nd, 1899), in which the United States took part. Great Britain renounced all claim to the two principal islands of the Samoa group, Upolu and Savaii, to Germany, who in return withdrew all claims to Tonga and Savage Island and ceded to Great Britain some of the German Solomon Islands. At the same time Great Britain renounced all claim to Tutuila and the other islands of the group in favour of the United States. Arrangements were made in West Africa for the division of the 'neutral zone' on the valley of the Dakar and northwards, and for cession to Germany of the Volta triangle. Germany also agreed to renounce extraterritoriality in Zanzibar when other Powers did the same, and to meet Great Britain on the question of reciprocal tariffs between Gold Coast and Togoland. In due course boundary commissions and agreements implemented the convention for West Africa, but the question of extraterritorial rights in Zanzibar was only finally settled in 1907. (See Hertslet, *Map of Africa by Treaty*, vol. iii, p. 219 et seq. For a summary of the various causes of conflict in the colonial field see Memorandum by Mr. J. A. C. Tilley, dated Jan. 5th, 1905, in *British Documents*, vol. i, pp. 322-37. The various sources of information are discussed by Dr. Gooch, *Before the War. Studies in Diplomacy*, vol. i, pp. 198-217 (1936).)

<sup>1</sup> See Appendix II for a note on the struggle waged for the use of Delagoa Bay, and Appendix IX for the history of the port and the railway. The first part of the story illustrates the sordid nature of the diplomatic bargaining, and the second the difficulties arising in connexion with co-operation on transit facilities.



## CHAPTER II

### STRATEGIC AND MILITARY

Colonies as instruments of power—transplantation of European rivalries to colonial soil—general considerations, naval, military, and air—strategic points and naval and air power—the Mediterranean situation—colonial man-power—balance of power in the Pacific—colonial military establishments and dispositions, British, French, Italian, Dutch and American.

#### i. *Introductory*

IN the attempt to define the relation of colonies to military power certain considerations must be borne in mind. Firstly, the strategic advantages and the military responsibilities of colonial possessions are two aspects of one and the same thing; insistence upon the advantages to be derived from the control of strategic points has tended to obscure the liabilities involved. The mobility of a fleet in other than home waters depends upon the certainty of free access to ports, dockyard assistance and bunkering facilities; but, on the other hand, security for the metropolitan Power demands a certain concentration in home waters, and is diminished by commitments in distant waters involving a dispersal of strength.

Secondly, the axiom that 'defence depends on foreign policy' applies to colonial as well as to home defence. A metropolitan Power possessing scattered colonies, if on the defensive, is faced with the task of trying to be strong everywhere, while, for its military advisers, colonial dominion increases the uncertainties in their already complicated calculations.

Thirdly, special colonial duties—policing, pacification, and frontier conflicts—require an army differing essentially from one designed to take the offensive on the continent of Europe. The structure and organization of the British Army, as compared with the armies of continental Powers, illustrates the point, even when due allowance is made for the island situation of Great Britain.

Fourthly, the development of air power has in some cases increased, and in others diminished, the value of many strategic points. Although it is widely held that an air force is the most mobile and rapid striking force, it is as widely forgotten that it depends upon ground organization (the supply of spares included), which must be securely guarded, and to which the Power concerned must have free access. Again, although the power of the fleet may still be paramount on the ocean, strategically it has been affected in narrow seas by newer weapons, the aeroplane and the submarine.<sup>1</sup>

<sup>1</sup> Captain B. H. Liddell Hart, *Europe in Arms* (London, Faber & Faber, 1937), p. 103.

These four general considerations must affect the purely colonial military dispositions for policing and pacification. The maintenance of order in colonial territories requires either the garrisoning of colonies by adequate forces from the home establishment or the raising of local troops for defence, or a combination of both. The expenses of the defence forces, whether of home or local origin, may or may not be met out of the colonial budgets. In some cases, garrisons are maintained abroad at the cost of the colony, and recalled when required for home service, thus reducing the military budget for the metropolitan Power, while maintaining the cadres of military establishments. When local forces are raised, native levies may in certain circumstances be available for service outside the colony, thus providing the metropolitan Power with additional forces. This course is forbidden in mandated territories, except in French Togo and the Cameroons, where a special provision in the mandates provides an exception to the rule.<sup>1</sup>

During the World War both France and Great Britain derived considerable assistance in man-power from colonial sources. French African troops served in France; Indian troops,<sup>2</sup> though some were brought to France for a short time, made their substantial effort in the Middle East, in which Indian interests are necessarily involved. African troops fought in both East and West Africa.<sup>3</sup>

## ii. *Strategic Position of Colonial Powers*

The main sea communications which Great Britain endeavours to make secure are five: one to North America, two to the Far East, and two to the Pacific. Of these, the sea routes to North America and to the Pacific via the Horn are both open, and are but little affected by recent developments; while the route to the Pacific via Panama is enclosed only in the Caribbean-Panama sector, where its security is guaranteed by the traditional friendship between Great Britain and the United States. Present-day interest centres in the two remaining routes, to the Far East and Australasia.

Part of the route to the East via Suez is enclosed; but, since the Indian Ocean is virtually a British sea, British anxiety is concerned with the Mediterranean and the Singapore-Australasian sectors. The advent of air power has most affected the Mediterranean, and here

<sup>1</sup> In fact, France has taken no advantage of the exemption from the general rule.

<sup>2</sup> Although India even at that period could not be described as of 'colonial' status, her contribution should perhaps be included.

<sup>3</sup> For the extent of these contributions, see Sarraut, *La Mise-en-Valeur des colonies*, pp. 44-5, and *The Military Effort of the British Empire in the Great War* (H.M.S.O., Mar. 1922), pp. 379-84, 739-57, 777-9.

Italy holds a central position; France is more remote from the main traffic route. It is Italy's air power 'whereby the hundred-mile canal from Suez to Port Said has been extended into a two-thousand-mile canal from Port Said to Gibraltar'.<sup>1</sup> Italian air bases at Tobruk, in Libya and in the Dodecanese dominate the passages south and north of Crete. Malta is only seventy miles from Sicily and two hundred from Tripoli, while the 'waist' between Sicily and Cape Bon in Africa is only ninety miles wide, and Italian air bases on the coast of Sardinia are but a hundred miles from the African coast. There remains Spain. The present uncertainty with regard to her future political affiliations is a further cause of anxiety, since, under certain circumstances, she might embarrass the defence of the Straits, and she could also interfere with the Cape route by making an air base in the Canary Islands.

Upon the maintenance of free communications in the Mediterranean depends also the second part of Great Britain's problem in that sea—the support of her influence in the Levant, essential to the safety of the Suez Canal, the air route to India, and the Kirkuk pipeline. Great Britain has always regarded the protection of the Suez Canal as a paramount duty.<sup>2</sup> Italian expansion in Africa has increased the importance to Great Britain of a friendly Egypt; it has also created in Egypt a willingness for Anglo-Egyptian co-operation. Egypt is a focal point for air communication with Africa, the Middle East, and India.

These various elements of uncertainty in the Mediterranean and in the Red Sea have turned British attention back to the old Cape route to the East, in spite of the disadvantage of its greater length,<sup>3</sup> and have given fresh importance to port facilities in African territories.

<sup>1</sup> Liddell Hart, *Europe in Arms*, p. 109.

<sup>2</sup> Thus the canal was closed during the Turkish advance in the Great War. The Suez Canal Convention expires in 1968. The Treaty between Great Britain and Egypt, signed in Aug. 1936, provides that British military forces are to remain in Egypt, to ensure the 'liberty and entire security of navigation' of the canal (Art. 8) and for its defence in co-operation with Egyptian forces.

<sup>3</sup> Approximate increases in time and distance required for the Cape passage:

<i>From Plymouth</i>	<i>Via Suez (miles)</i>	<i>Time (days)</i>	<i>Via Cape (miles)</i>	<i>Time (days)</i>	<i>Increase in time (days)</i>
To Bombay . .	6,200	21	10,500	35	14
„ Sydney . .	11,200	38	12,300	41	3
„ Hong Kong . .	9,500	32	12,800	43	11
„ Singapore . .	8,100	27	11,400	38	11

Source: Cole, Major D. A., M.B.E., *Imperial Military Geography* (London, 1936), p. 111.

The strategic position of France also is modified by recent developments.<sup>1</sup> Unlike Great Britain, she is a continental as well as an important colonial Power, and therefore for her the problem of the dual organization of the army (for colonial and for European use) is correspondingly more difficult. France has a stationary or declining home population, and French army strength therefore depends to an important degree upon troops from her North African territories. Drafts on colonial man-power for various purposes are easier for France than they would be for England, because of the proximity of North Africa and because there is not the same prejudice on the colour question. Moreover, in Algeria the policy originally developed by Marshal Bugeaud has resulted in a considerable degree of assimilation. The colonial troops are not auxiliaries but an integral part of the general defence system.

The resources and personnel of France's African territory would be temporarily valueless if her Mediterranean communications were cut. Recent developments by the French of motor-routes across the Sahara have increased the importance of Algeria and Tunis as collecting-areas for man-power and material. The uncertainty of Spain's future is serious for France, because, provided Spain were neutral, French convoys could hug the Spanish coast if threatened by Italy.

Italy also is a continental European Power, and her colonial interests are centred in the Mediterranean. In the Red Sea and the Indian Ocean, she holds Eritrea and Somaliland, as well as being engaged in Abyssinia. All three countries are accessible to Italy through the Suez Canal. Her bases and her lines of communication are entangled with those of Great Britain throughout the Mediterranean, and potentially so in the Red Sea, where she holds the Island of

<sup>1</sup> The principal strategic points in the French Colonial Empire are:

Bizerta.

Dakar, the only great port in West Africa.

Duala, in the Cameroons, a river port requiring modern equipment.

Port-Gentil, the best natural harbour in French Equatorial Africa.

Diego-Suarez, in N. Madagascar, which could be made a first-class base.

Saigon, Cam-Ranh, Haiphong, ports in the Far East.

Djibouti, capable of being a second Aden and Perim.

Port-de-France and Papeete on the Atlantic-Panama-Pacific route.

There is also Nouméa (in New Caledonia), with a harbour easy of access and perfectly sheltered, which requires equipment. Of these ports, Bizerta is well developed and is important for Mediterranean defences. The port of Cam-Ranh (eastern coast of Annam) is being made a submarine base; its situation, almost midway from Singapore, Hong Kong, the Philippines, and Netherlands East Indies, is a commanding one. Hitherto submarines for the defence of Indo-China have had their base at Saigon, at a considerable distance from the open sea.

Doumetrah in the Straits of Bab-el-Mandeb, and is developing the port of Assab, which is only 150 miles from Aden. But the strategic difficulties in which such entanglement places her are at least as great as the advantages, for she has no alternative routes, and no bases as yet outside the Mediterranean. By her recent pact with Yugoslavia she has made one of her 'back doors' secure, and now need not keep strong naval forces in the Adriatic.

The Netherlands, Belgium and Portugal all have distant overseas possessions which imply the need for the maintenance of sea communications. The Netherlands in particular has a rich colonial empire maintained without the possession of linked strategic points. But all three countries virtually rely on the support of Great Britain against aggression. Netherlands India is on the farther side of the Indian Ocean, and is closely related to Great Britain's strategic needs in the Far East, and to the maintenance of the air route to Australia. The integrity of the Portuguese Colonial Empire, as well as of her home territory, is guaranteed by an old treaty with Great Britain.<sup>1</sup>

The possession by Japan of Karafuto (S. Sakhalin) and of Korea makes the Sea of Japan a closed sea but for the Russian coast with the harbour of Vladivostok; Korea dominates the Yellow Sea. From the southern islands of Japan proper the Ryuku Islands and Formosa make a semicircle round the Eastern Chinese Sea. Japan's position is further strengthened by the mandate assigned to her over the Marianne and Caroline Islands, the Island of Yap, and the Marshall Islands in the North Pacific. The possession of the last-named group not only brings Japan 2,000 miles east nearer the U.S.A., but also 2,000 miles south towards Australia and New Zealand. Under the terms of the mandate, fortification of these islands is not permitted, though they come under paragraph 6 of Article 22 of the Covenant, which admits that they may be 'best administered under the laws of the Mandatory as integral parts of its territory', subject to safeguards for the natives. At the 1935 autumn session of the Permanent Mandates Commission<sup>2</sup> it was reported with regard to the military clauses of the mandate that

'The Commission noted the information contained in the annual report and formally confirmed by the accredited representative of the Mandatory Power to the effect that, since 1922, there have been neither military nor naval forces stationed in the territory, and also that no fortifications or military or naval bases have been established or maintained.'

<sup>1</sup> See Appendix II.

<sup>2</sup> P.M.C. Minutes, VI, 1935, p. 201.

The potentialities of Japanese naval power in the Pacific affect closely the position of Great Britain, the U.S.A., and the Netherlands in that ocean. Hong Kong is Britain's farthest eastern naval base, and the key to British interests in China. Under Article XIX of the Five-Power Naval Treaty of 1922, by which the *status quo* in naval armaments and dock accommodation was agreed over a given area, the fortifications of Hong Kong, and also of several United States ports and bases (e.g. Guam, Tutuila, Cavite), could not be increased, while Japanese mainland bases lay outside the area and had the additional advantage, for refitting purposes, of being on home territory. In consequence, Japanese naval isolation, owing to her remoteness from the bases of other Powers,<sup>1</sup> made her virtually impregnable. But the whole situation is now indeterminate, as the Treaty expired on December 31st, 1936, and in reply to the British suggestion that steps should be taken to continue the provisions of Article XIX the Japanese replied that they wanted further examination of the questions involved.<sup>2</sup> During the currency of the Treaty, the British had been developing Singapore as a major base, largely as a measure of Imperial insurance, in defence of trade routes and of British Empire interests in the Indian Ocean and in the Pacific.<sup>3</sup>

Considerable importance is attached by Australia to the mandate for New Guinea and the neighbouring islands, since, though under the terms of the mandate she cannot fortify its natural harbours, these cannot, while they are under her control, be used against her by any other Power. At the Peace Conference the then Prime Minister of the Commonwealth, Mr. Hughes, argued that strategically

<sup>1</sup> Distances from Yokohama to:

	miles		miles
Singapore . . .	2,900	Sydney . . .	4,500
Pearl Harbour . . .	3,390	Auckland . . .	4,800
Vancouver . . .	4,200		

<sup>2</sup> On Mar. 27th, 1937, Japan refused her consent to the proposal, made at the London Naval Conference of 1936, for a fourteen-inch maximum for gun-calibres for the next six years. If this refusal indicates an intention to build capital ships of great size, then the fact that the Panama Canal cannot give passage to ships of the U.S. Navy of similar size underlines the disadvantage already inherent in the division of the U.S. Navy into a Pacific and an Atlantic fleet.

<sup>3</sup> Contributions were made by New Zealand, Hong Kong, and the Federated Malay States, and by the State of Johore. The site was provided by the Straits Settlements. The Straits Settlements, which have to make an annual contribution of £400,000 to the cost of the garrison of Singapore, in addition to meeting the cost of the local volunteer defence forces, made voluntary contributions to Imperial defence in 1934 and 1935, but there was no stipulation that these sums should be allocated to work on the naval base. (See replies in the House of Commons on Feb. 28th and June 5th, 1935.)

New Guinea and the adjacent islands were essential to Australian defence. Similar arguments from Australia had prevailed in the nineteenth century over the reluctance of the British Government to acquire Papua. But some Australian opinion maintains that the administration of these dependencies imposes a further heavy liability for defence and that there would be something to be said for having New Guinea in the possession of a Power likely to be neutral in a dispute in the Pacific.<sup>1</sup>

The United States has to maintain free sea communications between her east and west coasts. This means first of all the defence of the Panama Canal, secured by exclusive control granted by the republic of Panama of a zone five miles wide on either side of the canal. The United States purchased the Virgin Islands from the Danish Government on account of their strategic importance, lying as they do on the route from Europe to the Panama Canal; St. Thomas can be fortified and provides excellent anchorage. The United States also maintains a navy yard at Guantanamo, Cuba. In the Pacific Ocean there are extensive naval works and a naval air station at Pearl Harbour, near Honolulu, and at other places on the island of Oahu, all of which lie outside the Treaty area. The United States has in fact a semicircle of outposts, from Dutch Harbour in Alaska to Manila in the Philippines, but the Japanese mandated islands make a salient into this. Hence the defence of the Philippines, the largest and most remote American territory in the Pacific, might become an acute problem; it has even been suggested that the 'decolonization' of these islands may force them to seek protection from Great Britain and Australia. The cable line from San Francisco to the Philippines passes through the Hawaiian Islands, Midway Island (to the west of that group) and Guam Island, where there is also a naval station.<sup>2</sup> Three small islands in the Pacific, to which the United States asserted a title seventy years ago, were occupied for air purposes in 1936. In the southern Pacific a naval station with a high-power radio station is maintained at Pago-Pago in the Samoan Islands. Pan-American Airways are creating a chain of stations across the Pacific.

<sup>1</sup> The Australian mandated territories might form convenient fuel bases for an invading Asiatic enemy. If held by a neutral Power, the enemy would naturally hesitate before involving that Power. The existence of the islands makes a strong and mobile force all the more necessary. *The Australian Mandate for New Guinea* (Melbourne University Press, 1928), pp. 94-5.

<sup>2</sup> The port of Guam is closed to foreign vessels of war and commerce, except in certain cases, when permission must be obtained from the U.S. Naval Department.

The expenditure of the United Kingdom on colonial defence is discussed in Chapter XVII, section i, but, for the reasons there explained, the items set down to colonial account do not give the whole picture, since it is impossible to say what part of general defence expenditure is due to the position of Great Britain in world trade.

### iii. *Colonial Military Establishments and Dispositions*

The units of the British Regular Army serving in colonial territories are primarily for general Imperial defence, and their cost is borne on the budget of the United Kingdom,<sup>1</sup> except for a few small contributions made by some colonies towards the maintenance of garrisons. In 1935 the strengths were as follows: Bermuda (443), Jamaica (681), Gibraltar (2,708), Malta (3,458), Cyprus (192), Egypt (9,973), Sudan (1,693), Palestine (1,964), Aden (216), Mauritius (124), Ceylon (278), Malaya (3,122), and China (7,615).

It is a cardinal point of British military policy in normal times not to raise native forces except for use within the colony. The colonies rely generally for local defence on small police forces supplemented if necessary by local forces of the militia type.<sup>2</sup> The charges, which are light, always fall on the budget of the colony. The total of these local forces throughout the Colonial Empire is very small. In 1930-1 the local land armed forces in British colonies numbered 12,836 men (plus 70 for Southern Rhodesia), and formations organized on a military basis accounted for 22,956 men (plus 610 for Southern Rhodesia).

The most important of these forces is the West Africa Frontier Force, consisting of the Nigeria Regiment, the Gold Coast Regiment, the Sierra Leone Company, and the Gambia Company. It is a whole-time force: the term of enlistment is six years with the colours and three years with the reserve, with re-engagement by

<sup>1</sup> India, which is, of course, not on a colonial basis, is in a special position of great importance in the organization of the British Army. The army in India (British and Indian troops) costs some £40 millions a year, and is paid for by India, which also contributes £1½ millions in respect of effective charges in the United Kingdom; but this latter contribution is balanced by a grant from the United Kingdom of £1½ millions towards Indian defence (the 'Garron award'). The Indian establishment of the British Army in Jan. 1935 was 59,920 all ranks. The Indian Regular Army was 67,000 in Jan. 1934, and Indian State forces 44,000. Indian Regular troops used outside India are paid for by the United Kingdom (e.g. Indian infantry regiment lent for Hong Kong, for which an annual grant is provided); £68,000 was allocated under this head in 1936.

<sup>2</sup> Full details for each colonial area are set out in the information regularly supplied by the British Government to the League of Nations and printed in the *Armaments Year Book*.



terms of six years up to eighteen years with the colours. This force is intended to deal with any local trouble and also to provide a striking force in any one of these colonies, and to provide a nucleus for expansion in time of war. The total effectives in 1936 were 5,072 officers and men (320 British). For British East Africa, including Somaliland, there are the King's African Rifles, but the conditions of service are different (three years, with periods of re-engagement for three years, up to nine years' service, followed by six years with the Reserve), and the force (except the Tanganyika battalion) may be called on to fight in any part of the world. The establishment is 1,140 men, including 47 British.

With these exceptions, locally raised troops are not expected to serve outside the colony; they are voluntarily enlisted, though compulsion to serve in the militia may be enforced in British Guiana, the Falkland Islands, and Jamaica. There are thus practically no coloured troops which can be drawn upon for general service.

The Sudan Defence Force—irregular troops at present numbering 4,760—is being reorganized under the Anglo-Egyptian Treaty of 1936. The Transjordan Frontier Force of 1,041 men has 28 British officers and other ranks, and is a composite body including some Circassians, Druses, and Sudanese; it must not be employed outside the mandated territory, except with the special authority of the High Commissioner, who may, if necessary for the defence of Palestine and Transjordan, sanction its use in adjacent territories.

The Royal Air Force maintains bomber squadrons in Iraq (5), Singapore (3), Malta (1), Palestine and Transjordan (1), Sudan (1), and Aden (1).

Both the metropolitan and the colonial army of France consist of French units and mixed units, composed of colonials and foreigners, with French cadres. Certain French troops raised for colonial service are part of the 'colonial army', and their normal service is overseas. On the other hand, units of the colonial army may do part of their service in France.<sup>1</sup> Of the native troops raised, a

<sup>1</sup> The native personnel is recruited by:

- (a) Drawing lots after a census has been taken in all the regions in which an individual census of the population is possible. The period of service of those called up is three years. Malagasies may be granted leave for varying periods after one year's service. The whole contingent is not taken for service.

The Governor fixes each year the number of persons to be called up and their territorial allocation. The recruits form the first section of the contingent; the other section of the contingent remains at home at the disposal of the military authorities.

- (b) Enlistment and re-engagement. Natives enlist for periods of four, five,

percentage of 9·1 are ordinarily in France. The figures do not distinguish between the 'metropolitan' and the 'colonial' armies. They show the distribution of establishments for 1934; the distribution of strengths, the total of which was about 50,000 less, is not given.

France . . . .	447,094
Algeria and Tunis . . . .	78,612
Morocco . . . .	45,319 <sup>a</sup>
Levant . . . .	12,284
Colonies and China . . . .	59,566
Total . . . .	642,875

<sup>a</sup> Excluding 14,430 irregulars.

Source. *Armaments Year-Book*, 1936, p. 368.

The cost of the forces in North Africa is borne on the French Army Estimates and they are under the Ministry of Defence (Colonial Troops Department); that of the forces in the colonies falls on the Colonial Estimates and they are under the Ministry of Colonies (Military Services Department); the latter (excluding North Africa) account for about one-thirteenth of the total of 7 milliard francs. The colonies make small contributions; but these cover only a fraction of the cost of colonial defence.

The French Air Force is estimated to consist of 1,500 first-line strength, of which 1,100 craft serve at home, the remainder being distributed in French African territories, the Levant and Indo-China.

Italy is taking strongly in hand the defence of her colonial possessions. She is establishing a higher command of all her north African forces, air, land and sea, having its own staff chosen from the three services, working under a commander-in-chief (generally the Governor-General of Libya). A national army corps for Libya is to be constituted, and a Libyan Naval Command set up. Having recently announced the fortification of the island of Pantellaria (between Sicily and Tunis), the Italian Government decided in April 1937 to begin the construction of a port at Assab on the coast of Eritrea.

- or six years and may re-engage for periods of three, four, or five years up to a maximum of fifteen years' service.

The proportion of enlisted and re-engaged natives is fixed each year by the Minister for the Colonies.

In Indo-China the system of conscription by the drawing of lots is not applied. A decree of the Governor fixes each year the method of recruiting, having due regard to local conditions. The period of service is four years. There is no second section of the contingent.

All the native soldiers may be called upon to serve outside the territory of their colony of origin. They remain in the reserve for a total period of fifteen years (including their service with the colours). (*Armaments Year Book*, 1935, pp. 226, 227, and 250.)

The work is to take four years. There has also been talk of fortifying the island of Doumetrah, in the Straits of Bab-el-Mandeb. The Italian Air Force has been estimated at 1,500 first-line craft, of which about 200 are at present employed in Abyssinia and Eritrea. Italian military expenditure on the colonies in millions of lire was: 1931-2, 416.0; 1932-3, 435.5; 1933-4, 433.0; 1934-5, 292.4; 1935-6, 267.1; 1936-7, 309.9.<sup>1</sup>

Hitherto the enlistment of native troops in Italian colonies has been voluntary, and no alteration has been announced. Preference is given to natives born in the colony, but others may be admitted. The initial period of enlistment is for two years, and engagement may continue on a yearly basis. Native soldiers in Eritrea are transferred to the Reserve when they leave the colours. There are 21 native battalions, distributed as follows: Tripolitania, 6; Cyrenaica, 6; Eritrea, 5; Somaliland, 4; and there are also squadrons of native cavalry. Italian African troops are believed to have fought well in the attack on Abyssinia.

Netherlands India formerly had its own naval force, but this has been merged in the Netherlands Royal Navy, Holland taking over a considerable part of the expenses. Up to 1934 the Indies had paid all the naval expenses, and half the construction costs, of the ships on the colonial station—actually the main part of the fleet. Though the Governor-General is in supreme command of the ships stationed in Indian waters, the Naval Department at Batavia also reports to the Department of Defence at The Hague. Part of the cost of the fleet serving on the Netherlands India station is paid out of the colony's budget; the rules governing this payment are subject to alteration from time to time. The European naval personnel serves in Holland and in the East for alternate periods. The colonial government also owns a number of small ships, primarily for civil purposes such as cable-laying, inspection, &c., which could be used for coastal defence, mine-laying, and other war purposes if needed.

Native troops are recruited on a voluntary basis; Europeans who are Dutch subjects are liable to compulsory service in the militia and the Landstorm. The militia service and the Landstorm service (first and second stages of military obligation) together comprise a period of obligation to service extending from the ages of 19 to 45; the length of service in time of peace is 205 days for militia and Landstorm, 490 days for cavalry, and 400 days for air force. The strengths for 1933 were: militia and Landstorm, 31,473: native auxiliary corps,

<sup>1</sup> These figures do not include the cost of the Abyssinian campaign. For an estimate of this see *The Times*, May 14th, 1937.

2,609.<sup>1</sup> The greater part of the officers and a proportion of the N.C.O.s are Europeans. The constabulary (*gewapende politie* and *veldpolitie*), numbering about 25,000, carry fire-arms, while the rural police are armed with sabres, lances, and sticks.

Departments of the United States Army, mainly of the National Guard, for purposes of administration, training, and tactical control are maintained with head-quarters at Quarry Heights (Panama Zone), Point Shafter (Hawaii), and Manila (Philippines), the latter station superintending army forces maintained in China. Alaska is included in the North Corps Area of the United States. There are two depots in the United States for recruits for overseas garrisons.

The strength of the United States National Guard is fixed locally at 800 men for each senator and representative, but the number is left to the discretion of the President for the Territories of Hawaii, Puerto Rico, Alaska and the Canal Zone. Neither of the two active divisions maintained in Hawaii and the Philippines is entirely complete in all its component organizations.

The strength of the United States forces oversea in June, 1935, was: Philippines, 11,400; Hawaii, 14,728; Panama, 9,571; China, 758; Puerto Rico, 945; Alaska, 312; Miscellaneous, 1,096 (troops *en route*, &c.); making a total of 39,036.

The Japanese military budget is unitary, no separate statement for overseas forces being made. The Japanese army establishment in 1935 was 230,000 men, and it supplied standing forces in Formosa, Kwantung and Manchukuo. The Japanese naval base at Mako—between Formosa and the mainland—is the nearest to Hong Kong (about 450 miles). There are also bases at Port Arthur and Chinkan (Korea).

<sup>1</sup> The total of effectives has been increased since 1933.

## CHAPTER III

### THE ECONOMIC VALUE OF COLONIES

Meaning of the phrase 'Do Colonies Pay?'—benefits secured by non-colonial Powers—difficulty of constructing balance-sheet—items of balance-sheet.

SOME of the motives for the acquisition of colonies and for the maintenance of colonial dominion have already been discussed. It has been shown that at different times considerations of power and prestige have been predominant; at others the search for trade outlets, and for the exploitation of natural resources in agricultural and mining industries. At all times it has been assumed that the possession of colonies benefits the colonial Power, and it seems necessary to discuss whether the assumption is founded or unfounded.

The dislocation of economic life which the world trade depression caused in varying degrees in all countries prompted certain nations to demand a share in the benefits attributable to the possession of a colonial empire. Their insistence in turn has provoked discussion of the whole question whether colonial enterprise is economically advantageous. The imputation that imperialism is a threat to world peace has been supplemented by the assertion that it is also an unsound business proposition.

#### *i. Do Colonies Pay?*

The simple query 'Do colonies pay?' involves more complicated considerations than is generally realized. Not only are there almost insuperable practical difficulties in the way of isolating all the items of profit and loss to the various participants in the development of a colony, but there is also a problem of definition. The form in which the query is put assumes that the beneficiary of colonial development is the metropolitan Power itself. But even if a colony were unprofitable to the metropolitan country, it might be a source of revenue to other countries trading with it. It is conceivable that, under conditions of free access secured by an Open Door policy, the metropolitan country might bear all the expense of administration and acquisition, while other countries derived all the profits from mineral and agricultural exploitation; and it has been maintained on behalf of Great Britain that, while the labour and expense incurred in building up the Colonial Empire fell upon Great Britain, the benefits to be derived from pacification and good administration have been open for all to share. It is possible, too, that the development of colonies—particularly in the more backward areas of the world—

may be a source of profit neither to the metropolitan nor to any other advanced country ; but that in itself would not prove that the enterprise was not worth while, for the increase in material well-being of the colonial population might, in terms of real wealth, more than offset the slight decline caused elsewhere by subsidizing the colony. While conscious disinterested action of this kind may be regarded as the exception rather than the rule, it may well be implied in the phrase 'trusteeship' or the '*mission civilisatrice de la France*'.

Whether a colony is of value to countries other than the metropolitan Power is, however, not the question in the minds of those who ask, 'Do colonies pay ?'

If, therefore, an attempt were made to assess the economic value of a colony to the metropolitan Power, the value to be measured would not be the whole of the economic benefits derived from the relations between the colony and the metropolitan country ; but only that part of them derived from the particular relationship between the colony and the possessing Power. For some, at least, of these benefits might still be obtainable if the colony were independent, or were administered by another Power. What has to be computed is the value in economic terms which the metropolitan country derives from the special advantages conferred upon it by sovereignty over the colony. In practice, this means the benefits derived from preferential export and import duties or from partial or total exclusion of foreign goods, making the trade of the metropolitan Power with the colony more profitable than that of other countries ; the value of special opportunities to the investors of the metropolitan country, either in being first in the field and reaping the initial profits, if any, in reselling their claims at enhanced prices or in excluding foreigners completely from participation ; and the value to metropolitan nationals of special opportunities for settlement. Against the additional value so obtained from the actual possession of the colony must be set the expenses incurred in administration and, where colonial defence can be separated from national defence in general, the cost of naval and military establishments.

If it were merely a question of finding out how much total benefit the metropolitan Power derived from the colony, the question would be easier to answer ; and in most cases the answer would be that the benefits were less than those which could be derived from trade with and investment in independent countries, as in the latter there would be no cost of administration and defence to set off against profits. If equality of opportunity in every respect could be secured, there would be scant support from business men for the possession of

colonies, though perhaps an increased support from humanitarians. It is the special advantages derived from possession that make a colony an asset; without these, the objections raised by the Manchester school in the last century against the cost of maintaining colonies once more become valid.

But the value of these advantages to the metropolitan Power is for many reasons hard to estimate. In the first place, many colonies have been annexed not so much to obtain special advantages for the metropolitan country as to prevent another country from obtaining even greater advantages for itself. Colonies, that is to say, are sometimes acquired and maintained more in order to insure against exclusion than to exclude others. An Open Door colony under one's own sovereignty may be preferable to a highly protected colony under another's. In such a case, the value of possession is to be considered as the prevention of the loss which would have been caused by an exclusive economic régime imposed by another Power. Again, the advantage derived from possession has often been merely the greater trade and investment under a European than under an indigenous administration.

Even though a country has no trade with any colony, it may, nevertheless, share in the profits of colonial enterprises. Its trade with foreign countries may be increased as a result of their trade with colonies; and its investors may find more profitable employment for their capital both at home and abroad through the increased opportunities which result from the development of colonies, even though none of their capital is invested directly in colonial territory. Investors in countries possessing highly developed capital markets usually have greater opportunities for colonial investment than those in other countries, mainly because specialized knowledge of colonial conditions is more readily available. But, even though they have to pay brokers' and other fees, foreign investors are not barred from the facilities offered by such capital markets. Admittedly the development of the London capital market, for example, was assisted by the opportunities for investment in British colonies; but these capital issues, quoted on the London and other Stock Exchanges, have always been open to foreign investors, and any failure to invest in them is to be attributed to the relatively high returns available on their own internal investments. (It should be noted that Dutch investments in certain British possessions were at one time of considerable extent.)

Finally, presuming that special advantages do accrue, the residents of the metropolitan country, who may or may not benefit from the special advantages accruing from the possession of colonies, fall into

three classes—investors, taxpayers, and wage-earners; one individual may appear in all three roles, and usually in two. The investor receives the benefit of the additional return on his investment, whether this be an investment in colonial government securities, in companies operating in the colony or in companies that make goods required by the colony. The labour force may receive higher wages, an advantage passed on to them by the diversion of this capital to more profitable uses than would otherwise be possible. Labour might conceivably benefit if the exodus of settlers reduced the labour supply sufficiently to cause a rise in wages. Lastly, the taxpayer may be affected in several ways. Direct subsidies to the colony for administration or defence will make him poorer. He will set off the increased taxation necessary to make these subsidies against the better terms he gets as a capitalist or wage-earner. But the increased trade from the colony may raise the yield of taxes, so that no addition to taxation will be required; the colony may send contributions home; and possibly its strategic position may simplify the problem of defence and so lower its cost. These advantages the taxpayer will add to his increased returns as a capitalist or wage-earner. Thus it is conceivable that different sections of the community will be affected in different ways, and that the possession of a colony may be of benefit to some, but of harm to others. The possession of a colonial empire will orientate the whole of the economy of the metropolitan Power, and its repercussions will be correspondingly hard to estimate.

According to the various underlying assumptions, the query 'Do colonies pay?' may therefore be answered in general terms; but one that will satisfy every one is probably impossible, not only because of lack of factual data, but also because of the difficulty of analysing the behaviour of a great number of independent variables. We may, however, in conclusion, set forth the various items of debit and credit which would have to be drawn up for the whole period of a colony's existence as a preliminary to answering this question. But it should be remembered throughout that these items refer only to the special advantages accruing from possession, and the extent of these will vary not only according to the actual material resources of the colony, but according to the nature of the alternatives to exploitation of the colony.

## ii. *Items in the Balance-sheet*

Subject to the reservations noted above, the metropolitan country will credit the colony with:

1. The interest received by investors in the metropolitan country



on capital invested in the colony. This will include interest on loans raised by the central and local governments of the colony and the interest and dividends paid by private enterprises.

2. The benefits accruing to consumers in the metropolitan country as the result of the cheaper imports which the relatively low cost of production in the colony may enable them to obtain. It must be remembered that under an international system approximating to free trade these benefits would also accrue to consumers in countries other than the metropolitan Power.

3. The benefits accruing to producers in the metropolitan country as the result of the direct and indirect profits on their exports (including invisible exports) to the colony. Indirect profits will include the advantages to be gained through an increase in the size of the producers' total output by the enlargement of their market. Such benefits may be shared with other than metropolitan producers.

4. Both the Government and individuals in the colony may make money payments to the Government or individuals in the metropolitan country, for defence, administration, family remittances, and for charitable or other purposes.

On the other side of the account the metropolitan country will debit the colony with:

1. The losses of metropolitan investors on their investments in the colony.

2. Losses of traders and others doing business with the colony, whether as importers or exporters.

3. Subsidies, grants, and subventions, directly or indirectly made by the Government or the citizens of the metropolitan Power to the Government or inhabitants of the colony. These would include the cost of the defence and administration of the colony, grants made by individuals to medical, educational, and other services, and the costs of tariffs and other preferences in favour of the colony.

4. Finally, the cost of acquisition, by purchase or other means, of the colony should be included.

Enough has been said to show that the question of the economic value of colonies involves a complex of calculations which are by no means simple in themselves, and which have varying reactions one on another. Some detailed material on the magnitude of the interests involved in settlement and the occupation afforded to non-indigenous peoples, in investment and trade and in the production of raw materials and foodstuffs is given in Part III of this book. An effort has also been made to discover what is the share in each of these departments of activity reserved by the metropolitan Power

for the benefit of its own nationals. Further, the systems of colonial finance are briefly examined with a view to assessing the financial burden borne by the colonial Power and the methods by which revenue and expenditure are raised and distributed in the colonies themselves.

The material assembled does not provide all the data necessary to determine the balance of advantage in the colonial Empires, but it is sufficient to give a reasonably clear indication of how far each colonial Power reserves to its own nationals the economic opportunities offered and how far these opportunities are thrown open to the world at large. Non-colonial Powers (not only the Powers generally described as 'dissatisfied') protest that their nationals are precluded from a fair share in colonial enterprise. If it is established that there is serious discrimination in colonies against the interests of the subjects of other Powers, some modification of the system is politic, and perhaps essential, in the interests of peace and justice.

## CHAPTER IV

### EQUALITY OF ECONOMIC OPPORTUNITY

Trade—the Open Door and the mandates—imperial preference—revision of the Congo Basin Treaties—shipping—raw materials—problem of control for military and political purposes—investment—suggested international issue of loans—racial discrimination in immigration and employment—government services—foreign participation in administrative services—the scope of equality conventions—prestige and monopoly—conventions on settlement.

#### i. *Trade*

THE demand for equality of economic opportunity in the colonial field for all countries is most insistent in respect of trade. The total trade, imports and exports, of all colonial countries in 1934 was valued, in terms of sterling, at 2,600 million old gold dollars, i.e. £866 million, or about 11 per cent. of world trade.<sup>1</sup> Nearly one-third of this total was accounted for by the trade of British colonies, followed in order of importance by the trade of French, Dutch, American and Japanese colonies. In spite of the definite departure by Great Britain from free trade in 1932, followed by the Ottawa Agreements and by the imposition of quotas on Japanese imports, and the restrictions reluctantly imposed by the Dutch under severe Japanese competition, these Powers by no means pursue a policy of exclusion of foreign countries from the trade of their colonies; indeed, of some 60 million people living in British colonies, protectorates and mandated territories, 39 million live in territories debarred from giving preferences to United Kingdom goods.<sup>2</sup>

The effect of governmental and old-established business and financial connexions, of the use of familiar language, currency, weights and measures, together with tariff and other regulating measures, is shown in the different degrees in which the metropolitan country absorbs the trade of her colonies. Geographical position and communications are important in determining the direction of trade, but for the colonial empires as a whole the percentages given in Appendix XI reflect the considered policies of the metropolitan Powers, and the strength of other connexions, the financial and other

<sup>1</sup> For detailed discussion of existing conditions in colonial trade and shipping and the changes which have taken place in recent years in colonial trade policies, see Chapter XV.

<sup>2</sup> Reply by the Secretary of State for the Colonies in the House of Commons, Apr. 2nd, 1936. The denunciation by France of the non-discrimination clause of the Anglo-French West African Agreement of 1898 reduces the area of compulsory non-discrimination.

ties, between them and their colonies. Since the main interest of non-colonial Powers is access to colonial markets, the extent to which those markets are supplied by the metropolitan Powers may be considered. The most important colonial market, the British colonies, took only 24.5 per cent. of its imports from the United Kingdom in 1935, and 20.5 per cent. from other British countries. Algeria took 80.2 per cent. of her imports from France; other French colonies took 52.1 per cent.; United States and Japanese colonies over 80 and 90 per cent. respectively from those countries.<sup>1</sup> Details showing averages over a period of years are given in Appendix XI. They show that the foreign share in British colonial markets was greater on the average (55.9 per cent.) in 1930-4 than in 1925-9 (49 per cent.), and an increased proportion of foreign imports is also shown for Dutch and Belgian colonies; on the other hand, foreign participation in the markets of French and Japanese colonies showed a marked decrease in the second of these periods. The restrictions imposed by the British and Dutch Governments have not done more than enable them to maintain their trade position.

The most important step towards securing economic equality for all countries in colonial areas would be the application of the Open Door in trade, which would automatically resolve some other claims with regard to raw materials and investment. One method of achieving this end would be the adoption by multilateral convention, for all colonies not fully self-governing, of the principles of non-discrimination laid down in the B mandates. At present only the former German colonies in Africa<sup>2</sup> and territories included in the Conventional Basin of the Congo are under treaty obligation to give equality of treatment.

It is idle to pretend that it would be easy to secure an international convention on these lines, which would mean the abandonment by Japan, France, Portugal, Spain and the United States, and by the C mandatories, of the high colonial tariffs in force. For Great Britain and the Netherlands it would mean relatively small concessions, the abandonment of imperial preference in British colonial areas and the removal of the temporary restrictions imposed by Netherlands India during the recent depression. Colonial territories would still be free to establish tariffs for revenue and for protective purposes, but not discriminatory tariffs.<sup>3</sup>

<sup>1</sup> For a detailed study of these questions see Chapter XV, section IV, below.

<sup>2</sup> South West Africa (under a C mandate) is excepted.

<sup>3</sup> Sir Arthur Salter suggested (*Peace and the Colonial Problem* (National Peace Council Conference, 1935), p. 10) that a certain elasticity might be introduced into any non-discriminatory policy. 'It may be, too, that the policy

Even if other colonial Powers refuse to follow suit, it has been argued that Great Britain might take the lead by reversion to her traditional policy of the Open Door, since much wider questions are involved than those of trade profits. Before discriminatory legislation was adopted Great Britain could justify to the world her possession of large colonial areas by claiming that she regarded the interests of the subject populations as paramount and asked no exclusive privileges for her own trade. The British Empire, with its vast territories and relatively small white population, may be required to show just cause for continuing to hold its present dominating position. Discontent with the situation has undoubtedly been growing since the departure from its traditional colonial fiscal policy. Lord Lugard has urged that equality of economic opportunity in colonies would benefit countries, like Poland and Germany, needing access to sources of raw materials, and that colonial Powers might reasonably be asked to concede it. The increasingly stringent protective measures imposed in colonies have made the question much more urgent.<sup>1</sup>

The main objection to the adoption of a policy of the Open Door in trade, which would undoubtedly have powerful reactions making for appeasement of the general political situation, is the fear of the flooding of colonial markets by cheap Eastern goods. It is suggested<sup>2</sup> that free trade would not meet the demands of Germany and other European Powers, since the colonial market under those conditions might be wholly captured by Japan, and perhaps, eventually, by China. Those who disagree with this argument contend: (a) that the flooding of the open colonial markets is partly due to the restrictions placed on other markets; the value of Japanese exports in 1934 showed a small increase over 1929, but since the yen had fallen by over 60 per cent. there was a considerable fall in real values;<sup>3</sup> (b) that Japan could be approached on the question of markets and a reasonable agreement made, though the difficulties would be much greater than they were in securing agreement before the world will develop along the lines of low tariff groups, and I see no reason why, if a tariff policy develops in that way, a colony should be debarred from making arrangements with a group of countries. But the controlling country should, as such, have no advantage.'

<sup>1</sup> See speeches by Lord Arnold and Lord Lugard in the House of Lords, Mar. 25th, 1936, and Feb. 17th, 1937.

<sup>2</sup> See Lord Plymouth, House of Lords, Feb. 17th, 1937, and Mr. L. S. Amery, *International Affairs*, Jan.-Feb. 1937, p. 15.

<sup>3</sup> The exports of Japan for 1929 were valued at 969.8 million old gold dollars; in 1935 the value of the trade reckoned in gold dollars was 418 millions. Even taking into account the general fall in prices and in trade, the Japanese position is not so favourable as statistics of foreign trade in yen appear to show.

tween Japan and India, since India held certain cards which the colonies do not hold;<sup>1</sup> (c) that some corresponding discrimination in imports might be made against countries not accepting the full obligations of the conventions of the International Labour Organization on hours of work and other conditions of labour (on this point it should be noted that any advantage arising out of a lower standard of living in Japan is likely to diminish with increasing markets and consequent prosperity), or providing bounties on export to colonial areas; and (d) that it might be reasonable to demand that trade between a given colony and Japan should not be entirely one-sided.<sup>2</sup>

Safeguards against 'unfair' competition have been suggested by Lord Lugard as follows:<sup>3</sup>

'There would be no discrimination against imports on account merely of their cheapness, provided that the reduction in price was not effected by contravention of any convention which has been ratified by the importing country, as, for instance, the conventions regarding conditions of labour. Where no such contravention can be proved, the natives are entitled to the benefit of the cheap goods, but I would not wholly rule out a stipulation that the purchase of commodities for export should bear a reasonable relation to the value of the imported goods.'

The British Government are at present opposed to unilateral action. The Prime Minister, in reply (March 22nd, 1937) to a deputation urging the 'return by the British Government to a policy of the Open Door for trade in all dependent territories under its control', raised four objections: (1) that progress towards self-government would be impeded by limitation of the fiscal authority of colonial legislatures; (2) the power of the colonies to claim preferences in Empire countries would be weakened; (3) the colonies would be deprived of weapons against discrimination in other countries; and (4) the trade of countries with exceptionally low labour costs would be favoured. The Government saw no justification for reversing the policy of imperial preference, which had contributed greatly to the prosperity of the Colonial Empire.

The possibility of negotiating a multilateral convention under the League of Nations for the general application of the economic equality clauses of the B mandates in colonies should, however, receive consideration; even if the negotiations were ineffective, they would offer

<sup>1</sup> It was stated by the Parliamentary Under-Secretary of State for the Colonies (House of Lords, Mar. 25th, 1936) that the decision to discriminate against Japan was not taken until it was clear that agreement by negotiation could not be reached.

<sup>2</sup> Lord Lugard, House of Lords, Feb. 17th, 1937.

<sup>3</sup> *International Affairs*, Jan.-Feb. 1936.

an opportunity for threshing out the difficulties. In the meantime, an opportunity for the reinforcement of economic equality in a limited field should arise in the near future, since the Congo Basin Treaties were due for reconsideration in 1932, though no action has yet been taken.

The Berlin Conference of 1884-5 followed an invitation issued by Germany to the Powers interested in the Congo Basin. The General Act (February 26th, 1885) of the Conference dealt with commerce, the treatment of natives, and neutrality in time of war. It was intended—to use the words of the preamble to the Convention of Saint-Germain, September 10th, 1919, which restated the general principles of the Berlin Act and the Brussels Acts of July 2nd, 1890—‘primarily to demonstrate the agreement of the Powers with regard to the general principle which should guide their commercial and civilizing action in the little-known or inadequately organized regions of a continent where slavery and the slave-trade still flourished’. The Convention of Saint-Germain repeats the declarations against slavery and the slave-trade, and the clauses in support of religious freedom and missionary and scientific enterprise, and reaffirms the principle of non-discrimination<sup>1</sup> among the signatory Powers and Members of the League of Nations in the Conventional Basin of the Congo. Within this area discriminatory tariffs are not permissible, and as the Treaty boundaries follow natural features they cut across existing territorial units, with the result that in certain countries—in French Equatorial Africa and in Northern Rhodesia—there is no uniform tariff system. The Conventional Basin of the Congo is shown in the accompanying sketch-map.

Since public controversy on the colonial question is increasingly centred on tropical Africa, it has been suggested that, if a general convention for the Open Door in all colonies cannot be reached, it would be useful to take the opportunity offered by the coming revision of the Treaties: (1) to extend the area covered by the Treaties by taking in those parts of tropical Africa at present excluded; (2) to expand the trade and commerce section by providing for open tender for all contracts for public works, and the right to share in public loans and in mining and other industrial operations.<sup>2</sup> More effective supervision than is at present exercised for the observance

<sup>1</sup> A useful discussion of the observance of the treaties is provided in the hearings of the Chinn case before the Permanent Court of International Justice at The Hague: *Series C. No. 75, The Oscar Chinn Case*, Leyden, 1935.

<sup>2</sup> See an article by Sir John Harris in the *Manchester Guardian*, Feb. 15th, and a more guarded statement by Lord Lugard, House of Lords, *Official Report*, Mar. 25th, 1936, cols. 250-1.

[illegible]

4 5 6 7 8 900 Miles

Boundary of Conventional Trade Zone







of the treaties would have to be provided, and it has been suggested that it might be undertaken by a reorganized Permanent Mandates Commission.

The political difficulty of extending and strengthening the Congo Treaties must not be minimized. There has been a good deal of fretting under the yoke of the Convention of Saint-Germain, and circumvention of its terms is not unknown. The temptation for colonial Powers to claim a free hand in economic policy is very strong. France, for example, has recently denounced Article 9 of the Anglo-French Convention of 1898 providing for equality of opportunity between France and Great Britain in certain west African territories. And the British Government, through the Under-Secretary of State for Foreign Affairs,<sup>1</sup> have placed on record their opposition to any extension of the area covered by the Convention of Saint-Germain. Even stronger objections would be forthcoming from France, as such extension would impose a ban on the militarization of French colonies at present outside the area. Whatever the difficulties, proposals for the extension of the Congo Treaties would seem to have more prospect of success than any proposals for the general application of the Open Door throughout all colonial areas.

Agreement for the abandonment of discriminatory tariffs requires, as a corollary, agreement for the abandonment of the exclusive shipping policies described in Chapter XV, section v. The most debated point is coastwise shipping. If colonies are national territory, it is argued that shipping between home ports and colonial ports can be reserved to the national flag just as trade between two home ports may be reserved. Insistence on conveyance of goods between the colonies and the metropolitan country under the national flag discourages participation in the tramp-shipping trade by non-colonial countries; it may tend to orient a greater part of the colonial trade towards the metropolitan country. The restrictions sometimes make it cheaper to send goods first to the metropolitan country, later to be re-exported, than to export them direct to foreign countries in foreign ships. The reconsideration of the various restrictions imposed and of bounties given to national shipping is urgent for those maritime Powers, e.g. the Scandinavian countries, which have no important colonies of their own.

## ii. *Raw Materials*

The problem of 'access to colonial raw materials' which fills so large a place in current international controversy is shown in the

<sup>1</sup> House of Lords, Feb. 17th, 1937.

more detailed discussion of the distribution of colonial raw materials in Chapter XV, section ii, to be a part of the general problem of freer trade. Moreover, colonial raw-material production is only a minor, though an important, part of world production. In the supply of the most important raw materials—iron, petroleum, copper, cotton and wool—production in independent countries is predominant. The same is true of the main staple foods of Western countries. Colonial production is, however, of the first importance in rubber (virtually a colonial monopoly) and certain vegetable oils and oil-seeds; and to a lesser degree in tin, graphite and phosphates.<sup>1</sup> For some minor products individual colonies have an effective monopoly, e.g. Netherlands India for quinine, Formosa for camphor.

Direct governmental restrictions on access to raw materials in colonies are few; restriction schemes by associations of producers are more important, but they were formed to counteract depression conditions, and there is already evidence that in a period of rising prices they may not be maintained. The special advantages of the metropolitan Power are thought to lie in more favourable conditions for investing in mines and plantations, and in being able to purchase in their own currency. The information available shows that shareholders are by no means necessarily nationals of the metropolitan Power; and the exchange difficulty arises from a confusion in international dealings which need not be permanent. The other exclusive advantage is connected with supply in war-time, and would probably remain under any circumstances.

German spokesmen stress the exchange difficulty, arguing that countries possessing colonies<sup>2</sup> are especially favoured in being able to pay for raw materials in their own currencies.<sup>3</sup> In fact they pay in goods. And since the acquisition of the necessary exchange for the purchase of raw materials is a matter of trade, the most important colonial proposal in this respect is the proposal for non-discrimination on imports into colonial countries outlined above. Meanwhile the prohibition of export duties on raw materials, even when these duties are non-discriminatory, is desired by the consumer. But there is

<sup>1</sup> See the percentages shown in Chapter XV, section ii.

<sup>2</sup> For a discussion of the existing situation see Chapter XVI.

<sup>3</sup> For any country acquiring *new* control over colonies, advantages in the form of a saving of foreign exchange are unlikely to be considerable for at least the first ten or more years. In the case of a colony with a certain degree of development, foreign firms are certainly already established in the territory. The new 'mother country' will be faced with the necessity of drawing upon its foreign exchange revenue in order to buy out these firms, for if they remain under foreign control they will tend to uphold the trade between the colony and their respective countries. On the other hand, an undeveloped territory

essentially no difference between a mining royalty for the benefit of the producing territory's government and an export duty at the port, and, since the producing countries are poor, it seems hardly fair that the local government should not derive some wealth from its resources in raw materials. But the retention of *discriminatory* export duties tends to maintain international friction.

Where the production of raw materials and certain staple food-stuffs and luxuries is regulated by agreements between producers, the real remedy for the grievance may be found, not by action on the part of the colonial Powers, who do not always really exercise effective control of production, but by some control of these agreements.

The question seems hardly soluble by the method of multilateral convention between States. International associations of producers are supra-national, and the representative of the State may not be their spokesman; moreover, they may for a particular commodity include non-colonial producers. To adapt the words of the late W. Milne-Bailey in a more general connexion, they have functional, not territorial limits, and they require international functional co-ordinating bodies of their own. Nevertheless, Professor Ohlin has suggested the drafting and ratification of an agreement to which all the colonial Powers could be parties, undertaking that there should be no discrimination in the marketing of raw materials. Such a convention, he thinks, would be more easily negotiated than a convention on tariffs.<sup>1</sup> The convention should be accompanied by a registration of all international restriction schemes and cartels with the League of Nations and a continuous analysis of their effects by the Economic Organization of the League. A system of this kind might do something to discourage unreasonable price policies.

The various proposals made when the Covenant was under consideration and in the early days of the League<sup>2</sup> were confined in general to non-discrimination in trade, and did not deal expressly with the operation of international producers' associations, which had not then reached their present dimensions. A new difficulty has

can neither buy nor sell large quantities of commodities. It requires capital, equipment and technicians. It is by no means certain that the whole of its equipment can be imported from the mother country; one of the results of the acquisition of a new colony may well consist of an increase rather than a fall of imports by the mother country from other countries. (B. G. Ohlin, in *International Economic Reconstruction* (various authors, International Chamber of Commerce, Paris, 1936), p. 137).

<sup>1</sup> Ibid., p. 134. The International Convention for the Abolition of Import and Export Prohibitions and Restrictions, Nov. 8th, 1927, has not been ratified.

<sup>2</sup> See Appendix XII.

now arisen in the form of the totalitarian State, which resents any interference from outside and strives to reduce all competing loyalties within its borders. The principle of allocation of production and regulation of distribution by an outside controlling body situated at Geneva or Brussels or London would be as unacceptable as the present control of production in the hands of capitalist groups. Therefore, logically, the totalitarian States must seek for absolute territorial control of resources, though the impossibility of achieving that aim, in view of the geographical distribution of raw material supplies, must compel them to compromise.

The most important motive for insistence on territorial control of raw materials is, perhaps, the fear of blockade in war or under the application of sanctions. For this there is apparently no remedy except the application in one form or another of the original Wilsonian doctrine of the freedom of the seas, equivalent to the abandonment of the weapon which, in the hands of Great Britain, was probably decisive in the World War. The acceptance of that doctrine would mean the rewriting of the laws of war and neutrality, and the loss of the power which has hitherto provided the great maritime Powers with the basis of their security and influence.

The position as regards supplies from the United States is affected by the American neutrality legislation of 1937, by which American ships are forbidden to carry to belligerents, or to factions in a civil war, any commodities which the President may place on the embargo list; any such articles and materials shipped from the United States can move only after all title and interest in them has passed from American nationals to a foreigner; that is, they must be paid for 'on the barrel-head' and carried in foreign bottoms. This is the so-called 'cash and carry' clause.

A Power possessing her own territorial supplies of raw materials and food can defy minor economic sanctions, since the cutting off of supplies from her colonies would be definitely an act of blockade. In war, if a country loses the command of the seas, it is immaterial from what sources her supplies are ordinarily provided, since they would be inaccessible under the present rules of blockade. Sir Arthur Salter<sup>1</sup> has suggested, by way of compromise,

'that there should be a general international convention guaranteed by all the great colonial powers, guaranteeing that at all times raw materials should be supplied on equal terms to all purchasers and that even in war time there should be no interference with that supply except by collective action for the enforcement of international covenants, and that such

<sup>1</sup> Noted in Appendix XII.

interference should apply equally to raw materials drawn from all colonies, whether those held by the offending country or others.<sup>1</sup>

This presupposes, however, the building up of an effective system of international security.

### iii. *Investment*<sup>2</sup>

Particulars of investment in colonial areas are given in Chapter XIV, but it has not been possible to furnish exact estimates of the predominance of colonial Powers as investors in their own territories—though it has been shown that in some colonies considerable amounts of capital are derived from foreign sources. There is generally no deliberate exclusive policy, and the nationality of the capital invested depends on circumstances. In French colonies government investment is very heavy and consequently French capital is predominant. If the metropolitan Power is poor, foreign capital may be sought for initial development of communications, as was the case in Angola and Mozambique, and in Abyssinia to-day. Or the capital market in London, New York, Amsterdam, Paris or Berlin may have special interest in a particular commodity. American investment is heavy in the British West Indies because of general American interests in the area; it is heavy in Netherlands India, probably because of American interest in rubber. Generally speaking, there is no obstacle to investment by any one in private companies occupied in developing natural resources.

But an increasing part of investment in colonies is by way of government loans for special purposes, usually public utilities—loans granted sometimes on condition that materials should be purchased in the metropolitan country. It has therefore been suggested that some part of the problem of general access to colonial investment might be met by the offer for public tender, without discrimination, of government contracts over a certain figure (a method fairly general in B mandated territories) and perhaps by some arrangement for the quotation of colonial loans on foreign exchanges. In so far as the British Empire is concerned, the London Stock Exchange has specialized machinery for the quotation of securities of all kinds, and buyers of British government and other colonial stocks normally find it convenient to buy and sell in London. Stocks are quoted on exchanges in various foreign centres according to the degree of demand for them.

Mr. Leonard Barnes thinks a solution might be found through 'a semi-official corporation operating under the aegis of the League—an

<sup>1</sup> *Peace and the Colonial Problem*, p. 10.

<sup>2</sup> For a discussion of the general question see *The Problem of International Investment*, R.I.I.A. (Oxford University Press, 1937).

International Board of Colonial Investment, in which the Governments of Britain, of other countries belonging to the League, and if possible the United States, would be represented, and whose directorate would include, besides experts in finance, people with expert knowledge of the effect of western economic processes on primitive societies'.<sup>1</sup>

As far as mandated territories are concerned, a Labour Party pamphlet contains proposals, on lines similar to Mr. Barnes's suggestion, for the setting up of a Colonial Development Board under the League of Nations to supervise and co-ordinate development in mandated territories with, as a sub-department, a Colonial Loans Board, to arrange for the international issue of the loans required. It would work in close contact with the Permanent Mandates Commission, and other colonies could, at their own request, make use of the facilities offered.<sup>2</sup>

Other schemes for international co-operation in investment in the colonial field, so far as Europeans are concerned, have concentrated mainly on Africa. The reasons are not far to seek. The Monroe doctrine rules out political penetration in American countries, and over large areas of Asia two strong Powers, the U.S.S.R. and Japan, pursue an active policy of excluding other Powers from penetration of any kind, economic and financial as well as political. Contiguity also counts for something, and the historical fact of the former unity of civilization on all the shores of the Mediterranean has influenced modern European policy in North Africa.

M. de Michelis urges collaboration between capital, natural resources, technical skill and man-power, instead of their present uneconomic dissipation.<sup>3</sup> He visualizes the realization in some form of the vision of Pan-Europa in its world extension as put forward by Count Coudenhove-Kalergi, rather than in the more domestic aspect envisaged by that great European, Aristide Briand. M. de Michelis looks first to the realization of the Briand aims, discussed in the Commission of Inquiry for European Union, as the essential preliminary for any extension of European collaboration outside Europe along the grandiose lines suggested by Coudenhove-Kalergi. The main concentrations of capital are in London, New York and Paris,

<sup>1</sup> Leonard Barnes, *The Duty of Empire* (London, Gollancz, 1935), pp. 19-20.

<sup>2</sup> *The Demand for Colonial Territories* (London, Transport House, 1936), p. 38.

<sup>3</sup> 'The economic structure of the world consists to-day of particular incomplete groups, which have a surplus or a shortage of one or other factors of production. This surplus or this shortage sterilizes a part of the complementary factors of production, with the result that there are large residues of unutilized economic force and frequently destruction of wealth.' (Giuseppe de Michelis, *World Reorganization on Corporative Lines*, Eng. trans. (London, 1935), p. 214.)

while the largest areas of undeveloped natural resources and the largest reserves of man-power lie outside Great Britain, France and the United States. The problem, as M. de Michelis sees it, is to combine labour, natural resources, and capital internationally with a view to the maximum utilization of all three on well-thought-out lines, by the rationalization of credit and the free movement of labour, including technical skill.

A suggestion thrown out in the French Peace Plan, set out in the reply (April 8th, 1936) to the German Memorandum, links up European agreement with colonial co-operation, as M. de Michelis does. The passage runs:

'20. The double necessity for a common reservoir of raw materials and for territory for expansion for surplus European production should lead to a revision of certain colonial statutes, not in the domain of political sovereignty, but from the point of view of equality of economic rights and the co-operation of credit between European States, which, having assured themselves of collective security and mutual assistance, will accordingly have to be considered as associates, not as rivals.

'21. All the problems will have to be treated, once political security has been established, by a special section in the European Commission before being submitted, if necessary, to the League Council or a general conference to which non-League members would also be invited.'

The proposal in the French Peace Plan attracted little comment, and was generally, perhaps incorrectly, regarded as a pious hope.

M. de Michelis, as an ex-President of the Governing Body of the International Labour Organization, insists, in his proposals for African development, on a wise colonial labour policy and a just native land policy; but, if his plan for the organization of Africa by the concentration of European capital and technical ability were realized, it is doubtful whether the interests of the native populations could be maintained, for the concept of Africa as a prolongation of Europe<sup>1</sup> involves the settlement of large numbers of Europeans on African land. The de Michelis scheme attacks the African problem primarily from the standpoint of *L'Afrique, champ d'expansion d'Europe*, to use the title of M. Guerrier's book. The idea of the paramountcy of native interests, which attacks the problem from the other end, calls for the gradual intervention of European capital and European science, when and as required for the building up of prosperous African communities. Exploitation is exploitation, whether by a single Power or a group of Powers. Mr. Leonard Barnes put the point

<sup>1</sup> See de Michelis, *op. cit.*, pp. 171-3, resuming the Coudenhove-Kalergi theory.



with great clarity at the conference organized by the National Peace Council in 1935:

'I quite see that development takes place by means of a merger of land and labour on the one hand with capital and technology on the other hand, and that the land and labour will be provided by Africans and the capital and technology by Europeans. But surely the object of the merger is to give Africa the mastery of the technology and the capital and not to give ourselves the mastery of their labour and their land.'<sup>1</sup>

In 1924 Dr. Schacht drew up a plan for the collaboration of Germany in the colonial field. He proposed the formation of a great international chartered company, on the lines of the old East India Company, for the development of the former German colonies by Germany and the Allied and Associated Powers in collaboration.<sup>2</sup> At that time he did not apparently look to the return of German sovereignty over the lost colonies, but to the continuance of the mandates, with full and active co-operation of German citizens. In a speech before a branch of the German Colonial Society on the subject of a new colonial policy, on March 24th, 1926, he suggested that in the management of these chartered companies leading business men of the big industrial nations might play a part side by side with the German representative responsible for the actual technical administration. The settlement thus formed might enjoy considerable self-government, including police, and should encourage the co-operation of immigrants and natives.<sup>3</sup>

Schemes of this kind are agreements reached by Italy with Germany, Hungary and other countries for the participation of foreign capital in the joint-stock companies which Italy has formed for the exploitation of the mineral and other resources of Abyssinia. It has been stated that German financial and technical co-operation is to be rewarded by a share in the commodities provided.

#### iv. *Racial Discrimination*

Restrictions on movement of capital and of commodities have their parallel in restrictions on migration and settlement, and discrimination in personal rights.

Migration and settlement, again, like trade in raw materials and

<sup>1</sup> *Peace and the Colonial Problem*, p. 33.

<sup>2</sup> Cited by O. Louwers, *Le Problème colonial du point de vue international* (Brussels. Institut Colonial Belge, 1936), p. 33.

<sup>3</sup> 'New Colonial Policy': paper read by Dr. Hjalmar Schacht in the Berlin-Charlottenburg Branch of the Deutsche Kolonialgesellschaft on Mar. 24th, 1926, cited in *Monthly Record of Migration*, no. 49, Oct. 1926.

opportunities for investment, are not primarily colonial questions as far as Europeans are concerned, simply because colonies lie for the most part in climates where Europeans find it hard to do manual work. European emigration has been to the Americas and to the countries in temperate zones, now the British Dominions. In the whole of tropical Africa, after a century of penetration, there are only about 400,000 whites, even where the term 'white' is used in its widest sense. For crowded populations in India, China and Japan the question of outlets in Eastern colonies has more practical interest.

In the discussion on the draft of the Covenant of the League of Nations at Versailles (February 13th, 1919) Baron Makino, representing Japan, asked for an addition to a proposed clause on religious freedom to cover discrimination on racial grounds:

'The equality of nations being a basic principle of the League of Nations, the High Contracting Parties agree to accord, as soon as possible, to all alien nationals of States Members of the League, equal and just treatment in every respect, making no distinction either in law or fact on account of their race or nationality.'

The Covenant, he pointed out, invited the citizens of all nations to share in the defence of the common cause, and each nation would naturally demand that her nationals should be placed on an equal footing with people she undertook to defend. The religious equality clause was, in fact, dropped out of the Covenant altogether,<sup>2</sup> and, with it, Baron Makino's proposals lapsed.

Racial discrimination in immigration, where it exists in colonies, is generally alleged to be in the interests of the inhabitants. Immigration of aliens of a higher stage of education (or of a more energetic type) on any extensive scale is generally condemned on the ground that the weaker and less educated indigenous population will be pushed to the wall. Or the intrusion of an alien community with different standards of civilization may create difficult minority questions.

Lord Lugard has suggested<sup>3</sup> that a study should be made of restrictions on alien immigration in the light of the following considerations:

1. Whether they are justifiable in the interests of the original inhabitants.

<sup>1</sup> See Chapter XIX below for a fuller discussion of these questions and for particulars of colonial countries in which opportunities exist for Asiatic settlement.

<sup>2</sup> David Hunter Miller, *The Drafting of the Covenant* (New York-London, Putnam's, 1928), pp. 323-5.

<sup>3</sup> In a Memorandum submitted to the Bureau of the International Studies Conference of 1937.

2. Whether the intending immigrants have any special claim.
3. Whether the restrictions are imposed purely on racial or political grounds.

At the World Population Conference of 1926 Albert Thomas made a proposal for an international authority on migration to establish, among other things: the conditions under which an unoccupied or obviously under-populated area belonging to one of the parties to the agreement should be opened to certain classes of immigrants; the conditions of selection of such immigrants; and international rules of assimilation and naturalization directed to securing an even development of population and preventing the growth of dangerously localized racial preponderances. M. de Michelis has advocated the conclusion of bilateral treaties for migration on the lines of the Franco-Italian Agreement of 1926 relating to the exploitation of phosphates in Tunis, and the Polish-Brazilian and Japanese-Brazilian Agreements. He has also supported the setting up of an international inquiry on the lines suggested by Albert Thomas.

All States insist on controlling immigration, and there are certain conditions the imposition of which is generally considered permissible: (1) insistence on good character, i.e. the exclusion of criminals; (2) insistence on certain health standards and on ability to earn a livelihood—to avoid the possibility of the immigrant's becoming a charge on the public funds. These and other restrictions on immigration may be justifiable in themselves, but their application may be strained, in fact, to cover other ends. There is a certain parallelism between restrictions on migration and restrictions on the import of animal and vegetable products. Such restrictions, useful in themselves, are sometimes imposed on a large scale to avoid the onus of prohibition desired for purely trade ends. In the same way immigration conditions may be tightened up because an exclusion policy is desired but not avowed for political reasons.

Any general convention against discrimination would necessarily contain so many loop-holes that differentiation on the ground of race might very well be effected in other ways (cf. the Australian dictation test). The main difficulty in the way of any general agreement is that the existence of racial minorities is a fruitful cause of disturbance in colonial areas and that the authorities are reluctant to create new ones. Indians have played a considerable part in the opening up of Africa, and they naturally believe that they still have a considerable part to play. The European answer, in practice, is that the existence of the Indian community complicates administra-

tion, that the Indian, with his superior book knowledge, tends to exploit the native, and that Indian customs and ways of life are unsuitable in Africa; the assumption being that the European trader or settler does not create the same difficulty since the difference between him and the native is taken to be unbridgeable. Contentions of this kind, though clear to the European mind, are less obvious to the Indian, and they could be maintained with more force if the policy of 'Africa for the Africans' excluded white settlers and petty traders, and permitted only technical and official persons. Difficult questions arise wherever there are large numbers of alien immigrants whose social and religious traditions and standard of life are incompatible with local culture. The situation of Italians in Tunis, of Chinese in Malaya, of Indians in Fiji, of Japanese in the Philippines, and the establishment of Jews in Palestine all present their special problems.

In Netherlands India unemployment due to the depression induced the Government to restrict the employment of alien workers ranked as 'Europeans'. In the Volksraad native members urged that the restrictions should be applied to the Chinese, but the Government pointed out that immigrant Chinese workers as a rule occupied jobs for which the local population, whether native or Chinese, showed little desire or aptitude.<sup>1</sup>

The application of the 'White Australia' principle to black New Guinea and the adjacent islands, with the dictation test, may possibly retard the development of the territories for a considerable period, but the administration may prefer the delay to the creation of a large Asiatic colony. In Fiji, where Indians, who return three elected members to the Legislative Council, are almost as numerous as Fijians,<sup>2</sup> and where they provide the greater part of the skilled labour, and in Samoa, where there is a 'Chinese' question,<sup>3</sup> the position of these minorities, in some cases likely to become majorities, is threatened in times of stress.<sup>4</sup>

<sup>1</sup> See a long report in *Industrial and Labour Information*, Jan. 13th, 1936, vol. lvii, no. 2. For the composition of the population of Netherlands India, see Appendix XIII.

<sup>2</sup> 99,953 Fijians, 85,892 Indians: total population, 202,052 in Dec. 1935.

<sup>3</sup> The New Zealand Government sent a 'good-will' mission to Samoa in 1936 to clear up local grievances manifested in the Mau agitation, and one of the promises made was the reduction of the number of Chinese plantation labourers. Repatriation is expected to proceed gradually.

<sup>4</sup> 'The ethnic composition of the Pacific is not what it was a quarter of a century ago, and it is difficult to see how the tendencies of today, the tendencies which are converting the Pacific groups into offshoots of Asia, will be changed in the next quarter of a century. The fruit of the labour policies of the past is now being reaped, and they are shown to have produced a crop of political and social and racial and international problems in no wise contemplated by those

There seems to be no simple general solution. Existing information is inadequate on some important points: (a) on the feasibility of Asiatic co-operation in Pacific countries,<sup>1</sup> on the degree of assimilation of Asiatic settlers in the more important colonies, and on the racial effects of miscegenation where this takes place;<sup>2</sup> (b) on the possibilities of European co-operation in settlement in north Africa and in east Africa and Angola.

Asiatic immigration is largely under contract of service, and is affected by the I.L.O. Convention on Recruitment, which awaits ratification. A further convention on discrimination and on the opening of certain territories might be concluded by the colonial Powers in the Pacific, after due examination of the questions concerned. Agreement between the African Powers in respect of European settlement should present less difficulty; any agreement on Africa would have to include immigrants from the Levant, Greeks and Syrians, who provide an important element. Asiatic migration to Africa requires separate consideration.<sup>3</sup>

The discrimination against German nationals after the War in mandated territories was removed at different dates in different territories.<sup>4</sup>

#### v. Government Services

Identity of treatment before the law for the nationals of all States would meet the ordinary requirements of traders, settlers, and workers, but there is one occupation which would necessarily remain largely in the hands of the metropolitan Power, namely the whole range of administration. Proposals have indeed been made for complete international administration,<sup>5</sup> but there is very little practical chance of the acceptance of any such measure. Nevertheless, the demand is made that the nationals of non-colonial

who brought Japanese to Hawaii, Indians to Fiji, Chinese to Samoa and Tahiti, and Annamites to the French Group.' (S. H. Roberts, *Population Problems of the Pacific* (London, Routledge, 1927), p. 29.) For the general question see Lord Olivier's *White Capital and Coloured Labour* (London, Hogarth Press, 1929).

<sup>1</sup> A beginning has been made by an investigation under the auspices of the Institute of Pacific Relations of the laws under which immigration is permitted in the Pacific: *Status of Aliens in the Countries of the Pacific Area*, ed. K. H. Bailey (Oxford University Press, 1937).

<sup>2</sup> Too little scientific work has been done on miscegenation. For an account of the available information (which does not support many current notions) see Roberts, *Population Problems of the Pacific*, pp. 352-86. For the general question see the revised edition of Lord Olivier's *White Capital and Coloured Labour*.

<sup>3</sup> See Appendix XIV.

<sup>4</sup> See Appendix III.

<sup>5</sup> See Appendix IV.

Powers should be permitted to share in the responsibilities of colonial government.

The difficulties in the way of introducing any large foreign element into colonial services are immense. A group of men forming the Executive Council or its equivalent, drawn from different nationalities and presided over now by a national of one Power, now by that of another, would have to act under a rigid constitution, as otherwise continuity in administration could not be secured. Now in colonial government certain principles must be observed, but a degree of elasticity is even more important in the government of a community emerging from primitive conditions than in a settled State. Colonies outgrow their constitutions very rapidly, and it may fairly be argued that the most prosperous colonies are those in which the latitude given to the administration is wide, and in which experiments can be and are tried out. Probably any body of men with a coherent tradition does better than a completely mixed team would do,<sup>1</sup> and it seems clear that the key posts in any administration must be held by nationals of the metropolitan Power, born and bred in its traditions, and conscious of their full responsibility to that Power. In a colonial government handling day-to-day emergencies any lack of homogeneity at the centre might be fatal, even with the maximum of goodwill. Language must be taken into account. There is often no one native language understood throughout the colony; there must be an official language, and that naturally the language of the metropolitan Power. Higher instruction must be in that language, since the necessary text-books are not available, and could hardly be made available, in a native language.

But there are in the gift of colonial governments certain administrative, professional and technical posts, at present filled by nationals of the metropolitan Power, which might be open to foreigners, sometimes with advantage. But it must be remembered that the tendency in advanced colonial administrations is to give as many posts as possible to local candidates, as and when technical and educational opportunities make local talent available. Therefore the number of posts to be filled from outside will decrease rather than increase; only the higher branches of administration will remain to be staffed from outside. This very desirable evolution might be hindered if any statutory right for the employment of a number of foreigners were granted. Nevertheless, the co-operation of foreigners

<sup>1</sup> For a statement of practical difficulties, see G. St. J. Orde Browne in *The Spectator*, Dec. 4th, 1936, and Lord Lugard in a letter to *The Times*, Sept. 20th, 1935.

has been enlisted in the past, and might be extended in the future. In the early days of the forestry service in India, Germans played some part; in Malaya teachers of Chinese nationality are employed in schools where Chinese children are taught in their vernacular; Germans hold some positions in the defence services of Netherlands India; and the Anglo-Egyptian Treaty of 1936 provides that posts in the Sudan services shall be open to foreigners where no suitable British or Egyptian or Sudanese candidate presents himself, and many Italians and others are employed in schools in Southern Sudan and in Uganda. The kind of services in which foreign help might first be enlisted are medical, veterinary, forest, agricultural and engineering services. Since the number of admissions into the British colonial service in any one year is small, and since Dominion candidates have also to be considered, the actual employment would, however, be very limited. But a more generous policy<sup>1</sup> in this respect would have a considerable psychological effect on opinion in Scandinavian and some other European countries, where there is a great deal of talent, combined with a high educational standard and a demand for adventure, among young men who would make excellent recruits for British colonial services. Similarly there might be Latin co-operation in technical services in French colonies. The establishment of schools of colonial administration covering all technical services in each colony-owning country, open to foreign students as well as nationals, would probably be necessary if any substantial extension of opportunities to foreigners were contemplated.

#### vi. *The Scope of Equality Conventions*

If it is desired to remove the sense of inequality in colonial opportunity without transfer of territory, agreement by convention has advantages. It is a well-tried method; many changes can be made step by step, so that the territories concerned and the metropolitan Powers can adapt themselves gradually to a degree of internationalization, and to such loss of monopoly as may be involved at each stage. There would not be the sudden break for governors or governed inherent in more drastic changes. The method of conventions would not prejudice the grant of self-government or of eventual independence. One practical difficulty is the absence of Japan, Germany and the United States from the League of Nations, and another is the disregard of existing international obligations in recent years. But to admit that international lawlessness is a permanent state of affairs is a

<sup>1</sup> See Dr. A. J. Toynbee's suggestion in 'Peaceful Change or War?', *International Affairs*, Jan.-Feb. 1936, p. 48.

counsel of despair, and any measures for the appeasement of the present discontents must be on the assumption that there is willingness to co-operate if and when grievances are removed.

The drafting of conventions for economic equality in colonies would be most conveniently undertaken by the Economic Committee of the League of Nations, which has already secured important conventions of universal application on trade and on commercial machinery. The adhesion of the important colonial Powers may be secured by the conviction that, if no change is effected voluntarily by the possessing Powers, the acquisition of colonial territory may be effected by violence, hitherto employed only against the weaker States, like Manchuria and Abyssinia, or by the more subtle methods of penetration, accompanied by the threat of violence, employed by Japan in China. The voluntary method seems to be the better course, but it can be adopted only if great efforts are made to create a world public opinion in its favour, and probably only if one of the great colonial Powers is prepared, in the absence of co-operation of the other Powers, to take the risk and act alone.

It is improbable that any system of conventions setting out to establish equality of opportunity for all nations would nullify all the advantages arising from the possession of colonial territory. There would always remain prestige, certain military and strategic advantages, and, in the case of good and successful administration, the friendship and support of the subject races, some preponderance in administrative and other departments of social economy, and probably a preponderance in trade, because of the existing commercial and financial connexions.

But the grosser forms of monopoly and advantage which at present cause discontent among all countries not sharing them might be removed by the conclusion of international conventions offering a really Open Door. It is an error to think that it is only Germany, Italy and Japan who think that Great Britain and France are greedy in keeping for themselves so large a share of the colonial world. Americans are apt to criticize the size of the British Colonial Empire. The Danish Group of the International Studies Conference of 1937 have undertaken to discover what advantages small Powers with colonial empires have over small Powers without colonial empires. Poland cries out for opportunities of settlement, but her needs cannot be met in colonial areas.

If the 'conventional' method of securing equality of economic opportunity were adopted, conventions would be required, with the reservations noted above, to cover the following points.



1. Non-discrimination in external trade, including the prohibition of all discriminatory export duties.
2. Non-discrimination in shipping, including economic equality in port facilities, the colonial territory acquiring if necessary for this purpose all wharves and other port facilities at present in the hands of shipping companies exercising monopoly rights.<sup>1</sup>
3. Freedom of access to colonial foodstuffs and raw materials.
4. The offer for public tender, open to all comers, of all government contracts over a certain figure.
5. The opening of public services, other than the purely administrative services, to nationals of all countries, subject to knowledge of the official languages and conformity to the national rules of professional competence.
6. The regular quotation of colonial loans on foreign stock exchanges, and possibly the reservation of *tranches* of new loans for foreign subscription.
7. Equality of treatment for foreigners in trade and other occupations.

Any conventions on these lines which might be adopted would inevitably lapse under war conditions in the colonies of belligerent Powers in so far as the belligerents themselves were concerned. The special difficulties in connexion with access to raw materials have been noted above (pp. 51-5).

Land settlement is also susceptible, to some extent, of 'conventional' treatment, but it falls rather within the purview of the International Labour Office, which has made extensive surveys of the whole migration problem, than in that of the League of Nations. Moreover, as far as European nations are concerned the problem is, as we have shown, not mainly a colonial one.

The enforcement of the conventions would require an annual report similar to that secured for the Conventions of the International Labour Office. Without some machinery for publicity of this kind the conventions might be evaded in one way or another. Either the Economic Committee or a special Colonial Council could be entrusted with the duty of supervision, and it may be that the supervisory body should be entitled, as the Permanent Mandates Commission is, to receive petitions with regard to alleged infringements of the conventions.

The process of building up a colonial economic equality code by

<sup>1</sup> Incidentally the nationalization of port facilities would help the colonies themselves, since it would render them more independent of the economic pressure exercised by shipping companies under the present system.

the method of conventions would take time, but there would gradually be evolved a body of practice dealing with the relations of the colony with foreign countries, just as there is already under construction, through the Conventions of the International Labour Office, a code relating to labour conditions within the colonies.

The convention method could be adapted to meet all the most tangible grievances of the 'have-not' Powers. But the international colonial question, it must be repeated, is inseparable from wider and less easily definable issues. The strategical value of certain colonial possessions has been described. There remains the general question of prestige. Here we are in the realm of the imponderables. And one can only observe that the sense of 'windows open to the wide world' which the possession of colonies is supposed to confer was equally found in the great trading cities of the Middle Ages. It is the result of trade and seafaring rather than of colonial conquest.

The issues—in themselves hard to define—are further complicated by the present confusion in international political and economic relations. The loose statements made from time to time on the colonial question are the result partly of the lack of fundamental thinking; but confusion of the issues is sometimes deliberate on the part of people who make use of misunderstanding on the economic issues to appeal to the emotions of particular audiences. These protagonists sometimes put forward arguments for colonial expansion which are remote, basically, from the real motives; and it is often difficult to disentangle honest grievances from grievances put forward from ulterior motives. It is one aim of this study to reduce the confusion by attempting to separate genuine grievances from ostensible ones, and to show that these genuine grievances require to be remedied in the interests of the non-colonial Powers which are not vocal, just as much as in the interests of those which proclaim their discontents.

While it is possible that some of these genuine grievances could be remedied by the building up of a series of international conventions which would remove existing elements of monopoly in colonial dominion, these would not satisfy the desire, expressed or unexpressed, for the prestige attached to the possession of colonies.

## CHAPTER V

### THE MANDATES SYSTEM

Terms of the mandate—equal opportunity in practice—origin of imports into mandated territories—position in C mandates—Permanent Mandates Commission—proposals for extension of mandates system to other colonies—British Government's standpoint.

THE slow method of creating a greater degree of economic equality in colonial enterprise for the nationals of all countries by the negotiation of multilateral international conventions seems the most practicable course. The formidable obstacles in the way will be better understood if these proposals are read in the light of the information provided in Chapter XV on the trade and tariff policies of colonial Powers. Nevertheless, the alternatives put forward by many students of the colonial problem are much more drastic in character, the most important of them being the extension of the mandates system to all colonies which have not attained full self-government. In either case the general assent of the colonial Powers would have to be secured, whether to the conventions suggested in the last chapter or to the proposals for an extension of the mandates system. Opposition to the latter method would certainly be greater, because acceptance of the mandates system would involve the abandonment of complete territorial sovereignty. Therefore, though there would be advantages in the extension of the mandates system, the slower and less spectacular advance towards economic equality may be the better policy.

The general principle that nationals of all States adhering to the League of Nations should have equal opportunity to share in the advantages to be derived from colonies was implicit in the decision of the victorious Powers to renounce the exclusive rights they might have claimed over the conquered German colonies and to agree to limitations of sovereignty.

The proposals made with regard to the mandates system are of two kinds: (a) to strengthen the mandates system in areas to which it is already applied; and (b) to extend the system to other colonies at present under purely national sovereignty. Before considering these proposals it is useful to summarize the present situation with regard to equal opportunity in the areas under mandate.

The B mandates provide<sup>1</sup> for identical personal rights for nationals<sup>2</sup>

<sup>1</sup> Article 7 in the Tanganyika and Ruanda-Urundi mandates, Article 8 in British and French Togo and Cameroons.

<sup>2</sup> The B mandates cite specifically rights of entry into and residence in the territory, protection of life and property, acquisition of movable and immovable property, and the exercise of a profession or trade.

of all States Members of the League,<sup>1</sup> and for complete economic, commercial, and industrial equality (with some reservation for the organization of essential public works and services, and on the subject of monopolies).<sup>2</sup> The A mandates contain similar provisions<sup>3</sup> inserted on the insistence of the Assembly of the League and to meet the wishes of the United States. The Palestine mandate makes special provision for the operations of the Jewish Agency.<sup>4</sup> The C mandates, following the lines of Article 22 of the Covenant, par. 6, may be administered 'under the laws of the Mandatory as integral portions of its territory', subject to safeguards for the indigenous populations. There are no provisions in these mandates for equality of opportunity for foreigners. Nevertheless, in practice the anomaly of the position in the C mandates has to a certain extent been recognized. The original questionnaire (1921) forwarded to the mandatory Powers by the Permanent Mandates Commission included observations on economic equality.<sup>5</sup> When instances of monopoly have been brought to the notice of the Commission, and questions asked, the mandatory Powers have offered full explanations, e.g. the trading agency for New Guinea set up in Sydney (Permanent Mandates Commission, III. 167-8); the phosphate monopoly in Nauru (P.M.C. III. 303); and the Australian shipping restrictions in New Guinea (P.M.C. VI. 180 and XXIX. 18, 19, 212).<sup>6</sup>

<sup>1</sup> See below for position of other States.

<sup>2</sup> For reservations see Article 7, pars. 3 and 4, of the Tanganyika mandate, and corresponding clauses in the A mandates and other B mandates. There is no such clause in the C mandates.

<sup>3</sup> Article 18 of the Palestine mandate; Article 11 of the Syria mandate.

<sup>4</sup> The administration may arrange with the Jewish agency mentioned in Article 4 to construct or operate, upon fair and equitable terms, any public works, services and utilities, and to develop any of the natural resources of the country in so far as these matters are not directly undertaken by the administration. Any such arrangements shall provide that no profits distributed by such agency, directly or indirectly, shall exceed a reasonable rate of interest on the capital, and any further profits shall be utilized by it for the benefit of the country in a manner approved by the administration (Article 11).

<sup>5</sup> P.M.C. I. 46-8.

<sup>6</sup> Before the Commonwealth of Australia mandate came into operation, Japanese immigration into New Guinea, which had had the right of free entry under the Germans, was restricted, and Japanese ships were prohibited from carrying copra from Rabaul to Sydney. The action with regard to shipping was justified on the plea that New Guinea trade was coastal trade and therefore restricted to Australian vessels. Japanese ships were free to trade between Rabaul and any ports other than Australian ports, and there was no discrimination against Japan not operative against other foreign nationals. After the acceptance of the mandate various limitations on the activities of foreign nationals were imposed. Some of the discriminatory legislation of the early years of the mandate was not maintained. The Fisheries Regulations Ordinance, 1923, was abandoned after fifteen months, and in 1925 the claim

i. *Equality of Opportunity in Mandated Territories in Practice*

The mandatory Powers have now had a decade and a half in which to prove their disinterestedness towards other Powers in respect of material advantages.<sup>1</sup>

In the matter of equality of opportunity for investment exact information as to the nationality of capital is lacking. The bulk of government-invested capital, and a large proportion of government stores, which include building and construction materials, are probably derived from the mandatory Power. It is perhaps inevitable that there should be some preponderance.<sup>2</sup> But is that preponderance too great? Opportunities for foreign contractors might perhaps be enlarged by prescribing certain forms for the advertisement and allotment of contracts.

A certain ambiguity exists in the phrase in the B mandates stipulating that a mandatory Power shall ensure to all nationals of States Members of the League, on the same footing as its own nationals, 'complete economic, commercial and industrial equality; provided that the Mandatory shall be free to organize essential public works and services on such terms as he thinks just'. The proviso has been differently interpreted, and the practice of the different Powers, as laid down in the regulations governing the allocation of contracts, varies to some extent.<sup>3</sup>

In Cameroons and Togoland under French Mandate there is no obligation to invite public tenders unless the total value of the supplies in question exceeds 80,000 frs. Foreign nationals are not ex-

that New Guinea-Australian trade was coastal trade was abandoned, but the strict control maintained under the various licensing laws and the transfer of property were thought to work in favour of British subjects. The immigration laws, which are part of the White Australia policy in the Commonwealth, were extended to the Territory (see K. H. Bailey, 'Foreign Powers and the Mandate', in *The Australian Mandate in New Guinea*, Melbourne University Press, 1928). Permits for boring under the Petroleum Ordinance (No. 28 of 1936) will, however, only be granted to natural born or naturalized British subjects. For a general discussion of the rights of aliens in the Mandated Territory see *The Status of Aliens in the Countries of the Pacific*, ed. K. H. Bailey (Oxford University Press, 1937):

<sup>1</sup> For a discussion see B. Gerig, *The Open Door and the Mandates System* (London, Allen & Unwin, 1929).

<sup>2</sup> One reason for the preponderance has been that the nationals of the mandatory Power have more confidence than foreigners in eventual repayment of invested capital, in case of the extinction or transfer of the mandate. Even if the mandate comes to an end by the grant of independence, as in Iraq, the position of the ex-mandatory Power is usually strongly safeguarded by treaty, and default is unlikely.

<sup>3</sup> See the summaries of the replies of the various Powers in P.M.C., XXII., 361, and the report accepted by the Commission on them.

cluded from contracts, but the mandatory Power reserves the right, in the case of 'essential public works and services', to give preference to its own nationals, as it claims it is authorized to do under the terms of the mandate. Purchases for public works carried out in territories under British mandate are made through the Crown Agents where they cannot be locally supplied. Tenders may be submitted by foreigners. The carrying out of works is generally done through the public works departments of the territories concerned, but where contracts are invited, no discrimination is made on account of nationality. Togoland and Cameroons, attached to adjacent British territory, receive their supplies through the Nigerian and Gold Coast Governments.

In general, the regulations for tenders for public works and enterprises may be said to permit, rather than to encourage, foreign participation. Nationals of the mandatory Power have normally more opportunity of knowing what tenders are open, and in the selection of firms, other things being equal, the authorities are likely to choose those which they already know. Lord Lugard, with his long experience on the Permanent Mandates Commission, admits that under any circumstances advantages must accrue to the mandatory, but he thinks that the preference in the case of public works contracts is apt to be exaggerated.<sup>1</sup> Referring, apparently, to mandates under Great Britain, he says,

'for even if the local government carries out a major work, many sub-contracts are made and tenders for materials are notified in the Official Gazette without discrimination as to nationality. Even for very petty requirements the tendency to call for tenders is increasing, and can be made the rule. I find . . . that the Government imports in the Cameroons last year were a fraction of one per cent. of the total value of the imports, while the average annual budget deficits since the mandate was issued is over £40,000. In Tanganyika the value of government stores for each of the last two years was about four per cent. of the total imports.'

The extent of private investment in mandated areas is hard to estimate. The capital put into the ex-German colonies is estimated at about £60 million sterling;<sup>2</sup> but since the War much of this has changed hands, and some of it has been written off. In so far as the ownership of capital in public companies goes, the access to capital investment in mandated territories is simply a question of the purchase of shares; but in C mandates, and in British Togo and Came-

<sup>1</sup> *International Affairs*, vol. xv, no. 1, pp. 11-12, Jan.-Feb. 1936.

<sup>2</sup> Dr. S. Herbert Frankel, *The Financing of African Development*, prepared for the African Research Survey. The study will be published separately.

rooms, probably a great part of the capital undertakings of the territory are in government hands; the field for private investment is less. The capital of settlers is on a different footing for Kenya in Chapter XIV. Its nationality depends on the nationality of the settlers (unless there are exceptional circumstances, as in Palestine); and the extent of foreign investment in the mandated area will depend on the nature of the welcome accorded to foreign settlers. In British Cameroons practically all the plantation capital is in German hands (the German population is 200), and 80 per cent. of the exports go to Germany; but in French Cameroons, a territory eight times as large, only 6 per cent. of the exports go to Germany, and the German population is not more than 50. It is sometimes argued that the return on capital in mandated areas may be lower than that in other colonial areas, owing to the greater provision made for native welfare which raises costs, or to government control or supervision of private enterprises such as exists in Tanganyika.<sup>1</sup>

In settlement there does not appear to be much serious discrimination, except in New Guinea, where Australian laws, practically excluding Japanese, apply. The number of Germans established in Tanganyika, South West Africa and British Cameroons is considerable. On the whole, the territories under B mandate appear to offer reasonably equal opportunities over a considerable area of business activity.

Undoubtedly the major consideration affecting economic equality is the pledge of the Open Door for imports from States Members of the League. Trade statistics for mandated territories show some surprising differences, but on the whole the Open Door is well maintained, except in the countries under C mandate, in which it is not prescribed. The figures in Table IV show the working of the system, and the results may be usefully compared with the percentage which imports from the metropolitan Power form of total imports into their colonial empires as a whole, shown in the chapter on Trade.

Japanese imports, which are subject to quota restrictions in many colonies, are not so restricted in mandated territories. The letter of the B mandates insists on equal opportunity for States Members of the League. When the mandates were prepared it was expected that membership of the League would be universal, but the United States has never been a Member, and Japan and Germany have withdrawn. No discrimination has in fact been made against non-Members, but it is not certain that discrimination will not take place. In 1936 the

<sup>1</sup> For investment in mining development in Tanganyika and New Guinea see *Financial Times*, May 8th, 1936.

TABLE IV

*Proportions of the Value of Total Imports into Mandated Territories contributed by Various Countries in 1935*

<i>Mandated territory</i>	<i>Metropolitan Power</i>	<i>Metro-politan</i>	<i>Ger-many</i>	<i>Japan</i>	<i>Other countries</i>
A Mandates:					
Syria	France	14.2	a	a	85.8
Palestine and Transjordan	Gt. Britain	18.1	12.4	a	69.3
B Mandates:					
Tanganyika	Gt. Britain	28.8	10.7	22.0	39.3
Cameroons	"	23.4	68.5	a	8.1
Togo	"		No information		
Cameroons	France	20.0	6.2	a	73.8
Togo	"	10.2	5.5	7.0	77.3
Ruanda-Urundi	Belgium	19.4	5.3	30.0	45.3
C Mandates:					
South West Africa	Union of South Africa	40.0 <sup>b</sup>	a	a	60.0
New Guinea	Australia <sup>c</sup>	40.5	6.0	2.8	50.7
Western Samoa	New Zealand <sup>d</sup>	29.6	a	a	70.4
Nauru	British Empire		No information		
North Pacific Islands	Japan <sup>e</sup>	98.0	nil	98.0	2.0

<sup>a</sup> Not separately specified.

<sup>b</sup> South African produce only. Total imports from South Africa were 96 per cent.

<sup>c</sup> 1933-4 figures.

<sup>d</sup> 1930 figures.

<sup>e</sup> 1934 figures.

French representative for Togoland told the Permanent Mandates Commission that the French Government had concluded that ex-Members of the League could not be placed on the same footing as the United States, which had obtained equality by a special treaty of February 13th, 1923. No steps had yet been taken to impose discrimination, as the French Government would like first to have the views of the Commission and of the Council of the League.<sup>1</sup> The British representative for Togoland stated that H.M. Government had never found any reason for imposing discrimination between Member and non-Member States, and that they were not contemplating any change of policy in that respect as a consequence of the departure of Japan and Germany from the League of Nations.<sup>2</sup> These decisions may be taken as having a general application.

Since the Open Door obligation is not formally imposed in territories under C mandates, and since it may not be maintained indefi-

<sup>1</sup> P.M.C. *Minutes*, XXX. 72.

<sup>2</sup> *Ibid.*, p. 86.



nately in respect of non-Members of the League, equality in trading opportunities is not absolutely assured.

ii. *Proposals to strengthen the existing Mandates System*

Extension of economic opportunity could be secured by agreement of the mandatory Powers exercising C mandates to accept an economic equality clause. The present situation is undoubtedly anomalous, and has aroused considerable criticism. Thus at the meeting of the Council of the League of Nations on December 17th, 1920, at which these mandates (Nauru, New Guinea, Western Samoa, South West Africa and the North Pacific Islands) were confirmed, Viscount Ishii read a declaration on behalf of the Japanese Government justifying the claim already put forward by them for the insertion in these mandates of an economic equality clause, and maintaining that acquiescence in the mandates did not involve the abandonment of any rights and interests which Japan had enjoyed in the past.<sup>1</sup> At the second session of the Permanent Mandates Commission the situation with regard to the exploitation of the phosphates deposits of Nauru was raised. These important deposits had formerly been owned and developed by a private company. Under the British Empire mandate the rights of that company had passed to the three Governments of Great Britain, Australia and New Zealand. The Commission desired to know whether the establishment of this phosphates monopoly was 'fully in keeping with the disinterested spirit which should characterize the mission of a Mandatory State'.<sup>2</sup> In accordance with the pure Wilsonian doctrine, spokesmen of the United States have frequently contended that the Open Door is inherent in the conception of a mandate of whatever class. Nevertheless, by its treaty with Japan in 1921, the United States has in practice recognized that the Open Door does not apply in any complete sense to C-mandated areas.<sup>3</sup> On the face of it there seems to be no reason why the degree of monopoly involved should have been authorized in these areas when it was expressly excluded from Tanganyika, Cameroons and Togoland, since under German rule the Open Door was maintained in all these territories.

The C-mandated territories are, however, in an early stage of development, and may be a charge on the mandatory Power, requiring subsidies for the purposes of ordinary administration. This fact

<sup>1</sup> For the full statement see the *Official Journal*, ii, p. 95.

<sup>2</sup> See *Minutes of Second Session of P.M.C.*, pp. 37-40.

<sup>3</sup> For particulars of the treaty see Quincy Wright, *Mandates under the League of Nations*, p. 452.

may have been held to offer some justification for special privileges for nationals of the mandatory. But the budgetary position in New Guinea, for example, has improved in the last few years with the development of gold-mining.

Apart from the differences in the terms of the mandates a further degree of economic equality might be secured by some development of the supervisory powers of the Permanent Mandates Commission.<sup>1</sup> The Commission, which derives its authority direct from Article 22 of the Covenant, is an advisory not an executive body. By the terms of the constitution the prerogatives of the sovereign State are duly safeguarded; for example, for their information the members of the Commission have to depend exclusively on reports by the mandatory Power and the evidence of accredited national delegates.<sup>2</sup>

It is true that petitions in writing are allowed; but, if these memorials are from inhabitants of mandated territories, they have to be forwarded through the mandatory Power, whose Government appends its observations and comments. If the petitions are from other persons, they are sent direct to the Chairman of the Commission, who transmits them similarly to the mandatory Powers.<sup>3</sup>

The Commission is required to forward its report on any petitions that come before it to the Council of the League. Its powers of action are severely limited. Thus, while individual members may visit mandated territories to obtain first-hand information, the Commission as such cannot undertake any official inquiry. The assent of the Council of the League may be secured for the expenses of a delegation to investigate a specific question. They approved, for example, a proposal of Great Britain (Jan. 14th, 1930) that an *ad hoc* commission should proceed to Palestine to decide on claims in regard to the Wailing Wall in Jerusalem—but on the strict understanding that there should be no inquiry into the general conditions of the administration. How unsatisfactory this restriction may be was demonstrated at the 29th Session of the Commission,<sup>4</sup> in May to June 1936, when there was apparently no information on the basis of which the Commission could review the causes of the disturbances in Palestine; the representative of the mandatory Power intimated

<sup>1</sup> See report on the work of the Mandates Commission by Señor de Madariaga at the 84th session of the Council (*O.J.* Feb. 1935, pp. 160–1).

<sup>2</sup> Suggestions that the petitioners should have oral audience have been repeatedly discussed in the Commission. Sir Frederick Lugard (as he was then) and Professor Rappard duly prepared memoranda on this point for the ninth session of the Commission (see *Minutes*, ix, Annex 2).

<sup>3</sup> For the codification of the rules governing the reception and handling of the petitions see P.M.C. XII. 57–8, 176–8.

<sup>4</sup> See P.M.C. XXIX. 207.

that he could not report on the question pending its examination by a Royal Commission which had already been arranged for. At the autumn session the Commission decided to convene an extraordinary session not later than April 1937 on the subject of the Palestine disturbance, with the object of reporting to the Council, since by that time the report of the Royal Commission should be available.<sup>1</sup>

The Permanent Mandates Commission is constituted with the intention of securing impartial judgement. The majority of the Commission must be selected from non-mandatory Powers. Its members—ten in number, instead of the original nine, in virtue of a decision of the Council on December 11th, 1924—are selected for their personal merit and competence. During the time they are members they are not allowed to hold any office which would place them in a position of direct dependence on their Governments.<sup>2</sup> Continuity has been assured by the fact that the same Chairman, the Marquis de Theodoli, has presided from the beginning, and that most of the members have acted for considerable periods. These conditions of tenure have their advantages; but there might be some advantage in limiting the tenure of members, say to five years. It is certain that if there were a large extension of the mandates system, reorganization of the Commission would be demanded. The International Labour Organization appoints an expert who attends all meetings and holds a watching brief in the interests of native labour and the observance of labour conventions. Even if there is no extension to other colonies, membership of the Permanent Mandates Commission might with advantage be increased and some part of the work delegated to sub-committees. But the supply of suitable candidates, men with good first-hand knowledge of colonial conditions and unhampered by official connexions, is limited, and the Finance Commission does not provide for expansion. Although members receive no salary, travelling and other expenses may be paid.<sup>3</sup>

Among other suggestions for improvement of procedure which have been discussed from time to time in the Commission itself may be mentioned proposals for periodical visits of inspection by members. Left-wing critics have proposed the appointment of a resident League Commissioner for each area, but it is difficult to see how such a scheme could work without undesirable weakening of the authority

<sup>1</sup> P.M.C. XXX. 207. The Commission's report was still awaited in June.

<sup>2</sup> Constitution approved by the Council on Dec. 1st, 1920, and certain amendments adopted on June 19th and Sept. 8th, 1927.

<sup>3</sup> See Quincy Wright, *op. cit.*, pp. 142-3.

of the Governor. Another suggestion is for the direct representation on the Commission of the subject peoples.<sup>1</sup>

iii. *Extension of the Mandates System to other Colonies*

The status of mandated territory carries with it certain unmistakable advantages as compared with the ordinary colonial status; witness its guarantee of native rights, of publicity and the right to petition for ventilating grievances, of an approximation to economic equality for nationals of all States Members of the League, and its provisions restricting the alienation of native lands and preventing militarization. Consequently the suggestion has been made that, as a contribution to international harmony, the colonial Powers should abandon the exclusive rights they have in colonial areas and voluntarily place their colonies under mandate.

This extension of the mandate system to all non-self-governing colonies is the main proposal of the Advisory Committee to the Labour Party of Great Britain.<sup>2</sup> It was also the principal theme of a recent manifesto inspired by the National Peace Council.<sup>3</sup> The suggestion is elaborated in a book published in 1936, *The Alternative to War*, by Charles Roden Buxton, who is convinced that the continuance of international unrest is in part due to the sense of frustration and repression of the 'have-not' Powers.

The economic aspect of the mandates system was the subject of an important debate in the House of Lords on February 17th, 1937. Lord Noel-Buxton moved a resolution asking for consultation among the colonial Powers with a view to the application of the mandates system to other colonies in suitable cases, and with a view to the revision of the Convention of St. Germain and an extension of its operation. He said that the British Empire seen from outside was bound to evoke feelings of envy and jealousy, that these feelings were necessarily embittered by any policy which implied a closed preserve, and that, putting aside the German claims for rendition of the colonies which she formerly possessed, a policy of extension of the mandates system would have the merit of benefiting the unsatisfied Powers as a group without involving any special concession to one of them.<sup>4</sup>

<sup>1</sup> See pamphlet published in Sept. 1936 on behalf of the Advisory Committee appointed by the National Executive of the Labour Party of Great Britain on *The Demand for Colonial Territories and Equality of Economic Opportunity*.

<sup>2</sup> Ibid.

<sup>3</sup> See *The Times*, Feb. 11th, 1937.

<sup>4</sup> The Committee appointed by the Council of the League in Jan. 1937 met in March to examine the question of access of all States to raw materials. It included a representative of Japan, but both Germany and Italy abstained from sending representatives. Its terms of reference are concerned with the raw materials question as a whole, not solely with the colonial raw materials.

Lord Lugard urged that the essential object of securing equality of economic opportunity could be secured by other means than the placing of further areas under mandate. His main criticism of the proposal was that it was divorced from political reality. It was unlikely that colonial Powers would agree to the surrender of sovereign rights involved, in territories which they had held for generations and perhaps for centuries. Incidentally, considerable expense would be involved on the part of the Powers themselves and on the part of the Permanent Mandates Commission, which would require enlargement. The position of France had to be considered, because her whole military organization was based on calculations allowing for considerable assistance from colonial man-power. She could hardly accept the general imposition of the restrictions imposed by the mandates system. The exigencies of European politics had already required that, in the framing of the mandates, France had received special privileges in regard to the use of troops from the territories transferred to her under a B mandate. She has, in fact, made no use of this concession, but the demilitarization of French West Africa and other dependencies would be a serious matter. From the point of view of security France's need is to-day greater than ever. No wonder, therefore, that the Advisory Committee of the Labour Party explains that the colonial settlement contemplated in the pamphlet which we have cited is to be regarded as 'part and parcel of an international system based upon a real League and real collective security' and that 'it would be quite impracticable in a world of rival, imperialist, armed Great Powers'.

The conclusion to be drawn from the above considerations is that extension of the B-mandatory system to other colonial areas is by no means a simple matter, and that, before any such drastic proposal is considered, solutions which do not involve changes in the international status of individual colonies, such as those outlined in the previous chapter, should be fully discussed.

The British Government's standpoint was explained by the Prime Minister in reply (March 22nd, 1937) to a deputation which presented to him a memorial on Peace and Economic Co-operation on February 8th, 1937. The deputation had urged the Government to 'present and advocate to other colonial Powers concrete proposals for the general application of a strengthened mandate system under the League of Nations to dependent territories not immediately ripe for self-government'. Mr. Baldwin said that:

'The application of a mandates system to the British Colonial Empire would not be welcomed by the inhabitants of the Dependencies themselves,

who were proud of their status as British subjects and would resent being placed in a different category from other members of the British Empire. Moreover, the authority both of Parliament and of the local legislatures over the Colonial Dependencies would to some extent be prejudiced. Finally, so extended a scheme would perforce necessitate the abandonment of the present machinery of a permanent Mandates Commission composed of distinguished experts, and its replacement by a kind of international Colonial Office.

‘On the other hand, His Majesty’s Government would see considerable advantage in a joint and general declaration by the Colonial Powers expressing their willingness to be guided in the administration of their colonial territories by the spirit of Article 22 of the Covenant of the League. His Majesty’s Government did not disguise from themselves the fact that such a declaration could have only a limited effect in lessening existing tensions ; but they considered that it might usefully form part of a general settlement.’

## CHAPTER VI

### TRANSFER OF COLONIAL TERRITORY

The German claim—examples of readjustment by agreement, pre- and post-War—Ruanda-Urundi mandate—third-party rights, pre-emption and other, in Cyprus, East Indies, Spanish, Portuguese and Belgian colonies in Africa—sovereignty in mandated territories—parties to be consulted in transfer of mandates—other conditions of transfer—maintenance of Open Door—property and other rights, land, government debt—terms on which property in mandated territories was taken over—assent of subject peoples, in colonies and protectorates—general considerations.

If the reasons for desiring colonial dominion were purely economic in character the solution of the international colonial question might be met by one or other of the methods outlined in the preceding chapters. Indeed, it might be argued that, with an 'Open Door' effective in all the colonies, non-colonial Powers would have an advantage, since they would share the benefits, without incurring the responsibilities and costs of colonial administration. But, as we have seen, there are other motives for the acquisition of colonies: desire for the prestige attached to world-wide empire and for the possession of naval and air bases and other facilities for war. Therefore, though the many smaller states desiring equality of economic opportunity might be satisfied by the policy of the Open Door, it is by no means certain that the so-called 'dissatisfied' Powers would be.

For these reasons it is frequently contended that in the interests of international peace colony-owning States should be required to consider the transfer to other States of titles to possession of certain areas. The question of transfer is raised specifically in connexion with the former colonial possessions of Germany, the rights and titles to which were surrendered to the Principal Allied and Associated Powers under Article 119 of the Treaty of Versailles, and by them confided to the mandatory Powers which now administer the territories on the terms of Article 22 of the Covenant.

The German demand for colonies has been developed only in recent years, though in 1926 a book by Hans Grimm, entitled *Volk ohne Raum*, attracted some attention. In *Mein Kampf* Herr Hitler declared that for the National-Socialist Party the pre-war commercial and colonial policy of Germany was a closed chapter; the territorial policy of the future was being inaugurated.<sup>1</sup> But there has always been a demand for equality of status in the colonial field, and certain assurances appear to have been given to Germany at the time

<sup>1</sup> *Mein Kampf* (Munich, Eher, 1930 edition), p. 742.

of the Locarno Treaty that when Germany became a member of the League she would, in fact, be eligible for a mandate if at any time one should be conferred. There has, however, been no diplomatic request from Germany for the return of her former colonial possessions. Diplomatic documents have said no more than that the German Government expected that 'within a reasonable time the problem of colonial equality of rights as well as of the separation of the League Covenant from the Versailles Treaty basis will be clarified in the course of friendly negotiations'.<sup>1</sup> In other words, the German claim in respect of colonies was for equality of status, not for territorial change. Unofficial glosses indicated, however, that Germany would not be satisfied without the return of some mandated territories at least, justification being found in the terms of Point 5<sup>2</sup> of President Wilson's Fourteen Points and the alleged disregard of those principles in the Peace Settlement.<sup>3</sup> More detailed claims from the German Colonial League (broadcast from Munich on February 10th), followed Herr Hitler's speech in the Reichstag on January 30th, 1937, when he said that Germany had never demanded colonies for military purposes, but exclusively for economic reasons. A sufficient import of raw materials and food-stuffs depended on a continued increase in Germany's exports; consequently 'the demand for colonies will ever and again be raised for our so densely populated country as a matter of course'.<sup>4</sup>

The reactions of the Governments of the colonial Powers to any suggestions for transfer of colonial territory have been unfavourable.<sup>5</sup> Nevertheless, readjustments have taken place in the past, and it may be well to attempt some distinction between the attitude towards transfer of home and of colonial territory, although transfer of colonial territory does not differ in law from transfer of any part of the sovereign State itself. M. P. Fauchille<sup>6</sup> declares that 'in public international law, the land possessions of a State, in whatever part

<sup>1</sup> See the memorandum addressed to the Locarno Powers, Mar. 7th, 1936; in the counter-proposals of Mar. 31st, in reply to the Note from the Locarno Powers of Mar. 19th, a similar statement occurs.

<sup>2</sup> 'A free, open-minded and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined.'

<sup>3</sup> See Dr. Schacht's article in *Foreign Affairs*, New York, Jan. 1937, p. 224.

<sup>4</sup> See also the speech made by Herr von Ribbentrop at the Leipzig Fair, Mar. 1st, 1937.

<sup>5</sup> For details see O. Louwers, *Le Problème colonial du point de vue international* (Brussels, 1936).

<sup>6</sup> *Traité du Droit public international* (Paris, Rousseaut, 1925), vol. i, p. 99.



of the globe they may be situated, form juridically an indivisible unit'. In theory, then, the same considerations apply to all transfers. In practice there is a difference. Unless the colonial territories for which transfer is proposed are colonies of settlement in the true sense—as were the New England States and the British Dominions when they were in the colonial stage—proposals for transfer do not normally arouse such violent reactions as proposals for the mutilation of the home country. Even where a colonial policy of assimilation is adopted, this is true. The loss to France of Indo-China to-day would not be comparable to the loss of Alsace-Lorraine in 1870. The transfer of a part of the United Kingdom—say of Wales or of Devon and Cornwall—is not in the same order of ideas as the transfer of Sierra Leone. It is often asserted that the reaction would be the same, but, though in both cases there would be resistance, resistance would obviously differ in kind. Transfers of colonial territory have taken place by consent as well as by force, and there has been acquiescence in the change. Transfers of parts of the home territory have also occurred, but where they have taken place by force, acquiescence has been delayed, and sometimes has never been attained.

It is idle, therefore, to rule out the possibility of changes either in the colonial *status quo*, or in the *status quo* in home territories, and it is a mistake to allow any legal theory of the inviolability of both types of territory to mask the real differences between the two kinds of change.

Further, in many colonial areas—if that term is taken in its widest sense to include protected states, protectorates and mandated territories—sovereignty may be divided, and other parties than the paramount Power would expect to be consulted. Moreover, the modern attitude towards subject populations precludes the kind of redistribution in the interests of the balance of power which has taken place after colonial wars in the past.

#### i. *Examples of Readjustment by Agreement*

Apart from forced cessions following on war, cessions of colonial territory have generally been in the nature of mutual exchange of territory. Where there has been no territorial compensation for the cession some definite political advantage has been conceded. The Anglo-French settlement (1904) of colonial questions in dispute between the two Powers was made possible because both Powers were determined to eliminate any possible causes of friction. The Anglo-German Agreement of 1899 on West Africa and Samoa was concluded as a

preliminary to a general political settlement which was not attained. Attempts to secure a transfer of Portuguese territory failed at that time because no compensation other than the assumption of financial liabilities was contemplated (see Appendix II on the Delagoa Bay negotiations).

The rectifications of the Libyan boundaries on the French and Egyptian frontiers and of the boundaries of Italian Somaliland and Eritrea were in belated fulfilment of promises made on Italy's entry into the War.<sup>1</sup> By a 1924 agreement ratified on February 19th, 1925, Great Britain ceded to Italy the valley of the Juba river and the port of Kismayu, formerly part of Kenya.<sup>2</sup> At the International Committee on the Treaty of London, which met in Paris in May 1919, when the question of the Libya-Egypt frontier was under discussion, the British representative, Lord Milner, had offered to recognize Italian sovereignty over Jaghbub, but was unwilling to give up the port of Sollum. No settlement was reached before the recognition in principle by Great Britain of the independence of Egypt on February 28th, 1922, when the matter became one of negotiation between Egypt and Italy. By an agreement signed at Cairo on December 6th, 1923, Egypt recognized Italian sovereignty over Jaghbub, while Italy ceded to Egypt the Ramieh wells, north-west of Sollum.<sup>3</sup> France, under the Bonin-Pichon Agreement of September 12th, 1919, agreed to a rectification of the French frontier of Libya, the new line passing through Ghadames, Ghut and Tummo; and the Laval-Mussolini Rome Agreement of January 7th, 1935, redrew the Sahara frontier between French West Africa and Italian Libya so as to place Auzu and Guesenti in Libya, and to leave Bardai and Tecro in the French area. In Eritrea Italy received a strip of coast from French Somaliland facing the Straits of Bab-el-Mandeb, and Italian sovereignty over the Island of Doumetrah was recognized. The vexed question of the status of Italians in Tunis was settled at the same time, and Italy acquired shares in the Jibuti-Addis Ababa railway.<sup>4</sup>

There have been readjustments also of mandated territory. The

<sup>1</sup> Article 13 of the London Treaty of Apr. 26th, 1915, stated that 'in the event of France and Great Britain increasing their colonial territories in Africa at the expense of Germany, those two Powers agree in principle that Italy may claim some equitable compensation, particularly as regards the settlement in her favour of the questions relative to the frontiers of the Italian colonies of Eritrea, Somaliland and Libya, and the neighbouring colonies belonging to France and Great Britain'.

<sup>2</sup> For the details see *Survey of International Affairs*, 1924, pp. 483-71.

<sup>3</sup> See *Survey of International Affairs*, 1925, vol. i, pp. 184-9.

<sup>4</sup> *Bulletin of International News*, vol. xi, no. 14, Jan. 10th, 1935, p. 24.

mandate for German East Africa was allocated to Great Britain by the Principal Allied and Associated Powers at a meeting at Trianon on May 7th, 1919. Belgium, whose forces had occupied part of the north-west area during the War, raised objections, and on May 20th reached an agreement with Great Britain for the division of the mandate, under which the district of Ruanda-Urundi was given to Belgium. The arrangement was approved by the Supreme Council of the Allies on May 30th, and the Belgian mandate was confirmed by the Council of the League of Nations on July 20th, 1922.<sup>1</sup> The frontier between the British and Belgian areas, which cut the Kingdom of Ruanda in two, was drawn more to reconcile the interests of the two Powers than in the interests of the native population, and was the subject of an adverse report by the Permanent Mandates Commission in 1922. Negotiations between the two Governments concerned led to the Orts-Milner Agreement, communicated to the League of Nations on August 3rd and accepted by the Council of the League in September.<sup>2</sup> The agreement provided for the reintegration of the Ruanda kingdom under Belgian mandate. At the same time the Council agreed to the incorporation in Portuguese East Africa of the 'Kionga triangle', a small strip of territory which Portugal had unwillingly recognized as German territory by a treaty of 1894.<sup>3</sup> Thus the original allocation of German East Africa as a British mandate was in fact modified by inter-Ally agreements, subsequently confirmed by the Council of the League. A small part of an area allocated under mandate was ceded in full sovereignty, not under mandate, to Portugal.<sup>4</sup>

Examples of voluntary rearrangement of colonial territory usually include transfer to both parties. It is a different matter when it is proposed to cede territory without territorial compensation elsewhere. The sale of the Danish West Indian Islands to the United States had been mooted and dropped once or twice before it was effected in 1916,<sup>5</sup> and then it included a kind of territorial compensation in the recognition by the United States of Denmark's claim over the whole of Greenland. Public opinion in any country would require to be convinced that real advantages of a high order would

<sup>1</sup> See H. W. V. Temperley, *History of the Peace Conference of Paris* (R.I.I.A., London, Froude, Hodder & Stoughton, 1926), vol. ii, pp. 242-3, and Quincy Wright, *Mandates under the League of Nations* (Chicago, 1930), p. 44.

<sup>2</sup> *Official Journal of the League of Nations*, Nov. 1923, p. 1,273.

<sup>3</sup> See Quincy Wright, p. 44, and the references there given.

<sup>4</sup> For other rectifications of frontiers of mandated territories see Quincy Wright, *op. cit.*, p. 120.

<sup>5</sup> M. F. Lindley, *The Acquisition and Government of Backward Territory in International Law* (London, Longmans, 1926), pp. 167-8.

result from a one-way transference before its acquiescence could be obtained. In most of the instances of one-sided transfer cited above there existed cogent political reasons or promises made in return for assistance during a war.

## ii. *Third-Party Rights*

In mandated territories some restrictions on the complete sovereignty of the colonial Power exist. Other international agreements may limit sovereignty; the Congo Basin Treaties, for instance, impose considerable limitations of an international character, which would remain after the transfer of a colony unless their removal were agreed by all the signatories of the international agreements concerned. The colonial Power cannot give away what it does not possess, and in countries in the Conventional Basin of the Congo it cannot exercise monopoly rights. Where limitations on sovereignty are imposed by international instruments the position is clear; but whether a colonial Power could, in ceding territory, give away rights which it has surrendered to the subject peoples is another question. Apart from any agreement with the former native authorities, a constitution may have been granted—can the title of possession of the colony be transferred without any reference to the constitution? This may be legally possible, since constitutions can be and are rescinded, but revocation does not usually take place without due cause alleged, such as gross maladministration, and transfer would hardly justify it.

Wherever full sovereignty is limited by agreement the other parties to the agreement can show cause why they should be consulted on any proposals for transfer. Most colonies have been acquired by cession either from another Power or from native rulers. The terms of cession may include restrictive clauses on transfer. Thus Cyprus could not be alienated without the consent of France.<sup>1</sup> There are instances in which a third party has secured the right of pre-emption and others in which he becomes automatically the successor in case of abandonment of sovereignty. It will be seen from the examples of the existence of third-party treaty rights given below that transfer of some

<sup>1</sup> The Convention between Great Britain and France for the settlement of certain points connected with the mandates for Syria and the Lebanon, Palestine and Mesopotamia, signed at Paris, Dec. 23rd, 1920, provided (Art. 4) that 'in virtue of the geographic and strategical position of the island of Cyprus in the Gulf of Alexandretta, the British Government agrees not to open any negotiations for the cession or alienation of the said island of Cyprus without the previous consent of the French Government'. This clause reaffirmed an engagement already contracted in the Sykes-Picot agreement of 1916.

important colonial territories would not be simply a matter between the two principals, but that other Powers might be able to prevent transfer by withholding their consent.

The Treaty of London (1824) between Great Britain and the Netherlands, arranging for the adjustment of claims in the East Indies, covered the Dutch settlements in the Indies, the English settlements in Sumatra, Malacca and its dependencies, Billiton, Singapore and the islands south of it. Article 14 provided that in case of the said possessions being abandoned by one of the parties the right of occupation should immediately pass to the other.<sup>1</sup> Again, the Belgian treaty (1907) providing for the annexation of the Congo Free State, formerly under the personal rule of King Leopold, reaffirmed the preferential rights of France in case of any alienation of that territory, and prescribed that, before any proposal was made to cede any part of the Congo to a foreign State, the consent of the Government of the Republic must first be obtained. France secured similar preferential rights over certain Spanish possessions in west Africa (Spanish Guinea, Corisco and Elobey Islands) by the terms of the Franco-Spanish Convention of June 27th, 1900,<sup>2</sup> but these rights of pre-emption were renounced in favour of Germany as part of the Morocco Settlement in 1911. In the Treaty of Peace (Article 141), however, Germany renounced all rights, titles and privileges conferred in Morocco and under the Franco-German Agreements of 1909 and 1911. The Franco-Spanish Convention of 1900 further provided for the delimitation of French and Spanish Sahara, but detailed agreement was deferred until the conclusion of the Franco-Spanish Convention of November 27th, 1912,<sup>3</sup> which defined (Art. 2) the frontier of the Spanish sphere of Rio de Oro. This article also defined the boundary between French Morocco and the Spanish sphere of the Rif, and Article 5 engaged Spain not to alienate or to cede under any form, even temporarily, her rights in the whole or in part of the territory comprising her spheres of influence as so defined. The integrity of Portugal and of her colonial possessions is guaranteed by Great Britain under a treaty of 1661, and the promise was renewed in the Anglo-Portuguese Secret Declaration of October 14th, 1899.<sup>4</sup> A treaty of June 11th, 1891, between Great Britain and Portugal fixed the frontiers of Portuguese East Africa, and Article 7 of the treaty provided that in the event of one of the parties proposing to part

<sup>1</sup> *British and Foreign State Papers, 1823-4*, p. 194 et seq.

<sup>2</sup> Cited in *Foreign Office Handbook*, vol. xx, 1920, p. 53.

<sup>3</sup> *British and Foreign State Papers*, vol. cvi, pp. 1,025-35.

<sup>4</sup> See Appendix II for the negotiations between Great Britain and Germany on the future of the Portuguese colonies.

with any of the territories to the south of the Zambesi assigned to their respective spheres of influence, the other shall be recognized as possessing a preferential right to the territories in question.

There may be other forms of third-party rights which have to be safeguarded. Jubaland was part of Kenya Colony, though the Sultan of Zanzibar was held to have indeterminate rights over it. The cession to Italy<sup>1</sup> was made 'by the King on his own behalf and on behalf of His Highness the Sultan of Zanzibar so far as the latter may be concerned', and the Italian Government undertook to indemnify the Sultan for any loss of revenue arising out of the transfer.<sup>2</sup>

To take another instance, it was a grievance of the Malay State of Kedah that Siam, which had always treated it with scant consideration but had never effectively interfered with its internal administration, in 1909 handed over all rights of suzerainty and control over the State to Great Britain, without consulting the wishes of Kedah. When, therefore, in 1923, Great Britain made a treaty with Kedah, there was inserted a clause, unique in Malay treaties, that 'His Britannic Majesty will not transfer, or otherwise dispose of, his rights of suzerainty over Kedah to another Power, without the written consent of His Highness the Sultan in Council'.<sup>3</sup>

Limitations on sovereignty other than pre-emption rights occur in treaties of cession between colonial Powers. The Treaty of London, March 17th, 1824, between Great Britain and the Netherlands was accompanied by a British protocol expressing confidence that no measures hostile to her old ally, the King of Acheen, would be adopted, and recommended the interests of the Bencoolen settlers to 'the friendly and paternal protection' of Holland. A Dutch protocol replied that 'far from having cause to dread retroactive measures', the natives might 'cherish the hope that the new Government will respect their acquired rights and their welfare'.

### iii. *Sovereignty in Mandated Territories*

The question of sovereignty over mandated territories is complicated, and there is little agreement among jurists as to where it resides. For practical purposes, under the duration of the mandate, the controversy is not very serious, since all the mandatories recognize the limitations imposed by the mandates, accept the necessity

<sup>1</sup> See p. 83, above.

<sup>2</sup> Zanzibar being a protected State, the Sultan could only enter into foreign relations through the King, and the King could not on his sole behalf alter the internal sovereignty, however shadowy, of Zanzibar.

<sup>3</sup> *Treaties and Engagements affecting the Malay States and Borneo*, by Sir W. G. Maxwell and W. S. Gibson (London, 1924).

of reporting to the Permanent Mandates Commission, and usually take note of any serious criticism made by that body.<sup>1</sup> But if the transfer of any mandate were proposed, the question would become pressing.

A cursory statement of the origin of the mandates is necessary for the understanding of the points at issue. During the War the Allies had occupied the German and Turkish territories which were afterwards formally surrendered under Article 119 of the Versailles Treaty and Article 132 of the Treaty of Sèvres.<sup>2</sup> The German territories in question were allotted to mandatory Powers by the Principal Allied and Associated Powers, acting as the Supreme Council, at their meeting at Trianon, May 7th, 1919, but the Turkish territories were not allotted until the San Remo meeting of the Supreme Council on April 25th, 1920. The United States had by the latter date withdrawn from official participation in that body, but an unofficial observer was present on behalf of the United States at meetings of the Council up to January 11th, 1921.<sup>3</sup> The allocation was mainly on the basis of existing occupation. The mandatory system was prescribed by Article 22 of the Covenant, according to which the tutelage exercised by mandatory powers would be 'exercised by them as Mandatories on behalf of the League'. Paragraph 8 of Article 22 states that the 'degree of authority, control or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council'. The drafting of the mandates was entrusted to a Commission representing the Principal Allied and Associated Powers. The Commission, which sat under the chairmanship of Lord Milner, was appointed on June 28th, 1919, and the League of Nations was not inaugurated until January 10th, 1920; it was not until December of that year that the draft mandates were submitted to the Council of the League of Nations. The C mandates were formally approved by the Council of the League on December 17th, 1920. The B draft mandates were accepted in principle in September 1921, but there was delay in confirmation pending satisfactory agreement with the United States; this was eventually secured, and the mandates were finally confirmed by the Council and issued by the Secretariat on July 20th, 1922. There was further delay in agreement

<sup>1</sup> For the proposals for closer union of Tanganyika with British colonies in East Africa see P.M.C. XXIX. 180-2 and 210-11; and for the proposals, since deferred, for the incorporation of South West Africa as a fifth province of the Union of South Africa, *ibid.*, 126-7, and *Report of South West Africa Commission* (Pretoria, 1936), pp. 77, 80.

<sup>2</sup> The Treaty of Sèvres was never ratified; but the renunciation of all rights and titles to the territories concerned was repeated in the Treaty of Lausanne, 1923 (Article 16).

<sup>3</sup> See Quincy Wright, *Mandates under the League of Nations*, p. 45.

on the Palestine and Syrian mandates, the difficulty in this case being primarily with Italy, but the Palestine (and Transjordan) and Syrian mandates were approved by the Council and issued on July 24th, 1922. The Iraq mandate was delayed partly by American objections and more by the disturbances in Iraq itself until September 27th, 1924; it was a skeleton document based on the Treaty of Alliance between His Britannic Majesty and H.M. the King of Iraq, signed at Baghdad on October 10th, 1922, but not ratified until December 19th, 1924. The terms on which the mandate must be exercised were set out in detail in the treaty. Though the mandates were drawn up by agreement between the Powers themselves, they were approved by the Council of the League and issued by the Secretariat.<sup>1</sup> There were certain reservations on the part of the United States and others, some of which are noted below. Pending the confirmation of the mandates, provisional régimes on the basis of Article 22 of the Covenant were established, and the Permanent Mandates Commission, which had been organized by the Council in December 1920, met to receive reports from the mandatory powers on October 4th, 1921.

The circumstances under which the mandates were allocated and confirmed explain to some extent the confusion that exists on the question of sovereignty and of the parties necessarily concerned in the transfer of a mandate. The most divergent views have been put forward: that ultimate sovereignty lies (1) with the Principal Allied and Associated Powers, i.e. the United States, the British Empire, France, Italy and Japan, to whom the territories were surrendered under the Treaties; (2) with the mandatory Power; (3) with the League of Nations; or (4) with the communities over which mandates are exercised.

Sir James Rose-Innes, in an opinion given in the Supreme Court of South Africa (*Rex v. Christian*, 1924), said that

'the signatories must have intended that such possessions should be dealt with as provided by Part I [the League of Nations Covenant] of the Treaty, and they were placed at the disposal of the Principal Powers merely that the latter might take all necessary steps for their administration on a mandatory basis. . . . The intention of the signatories seems to have been to place certain overseas possessions relinquished by Germany upon a basis new to international law and regulated primarily by Art. 22 of the Treaty.'<sup>2</sup>

<sup>1</sup> For the negotiations see Quincy Wright, *op. cit.*, pp. 48-66, and the authorities there cited.

<sup>2</sup> Cf. the statement of the German Delegation in 1919, League of Nations document No. 106, Dec. 8th, 1920, on the importance of the control vested in the League. Also the Japanese claim to full title to the Mandated Islands cited in *American Journal of International Law*, vol. xxvii, 1933, pp. 140-2.



The Principal Allied and Associated Powers clearly acquired sovereignty even though they agreed, by adopting Article 22 of the Covenant, to qualifications of sovereignty. It is argued by some that such sovereignty passed from them to the mandatories to whom they allocated the territories before the League of Nations was actually in existence. This is the view held by Sir James Rose-Innes in a continuation of the opinion just quoted, and by Dr. Lindley, but it is not maintained that such sovereignty is of the same order as that which a State possesses over its own territory.<sup>1</sup> The inhabitants are not subjects of the mandatory Power in the sense of acquiring the nationality of the mandatory, but are 'protected persons'.<sup>2</sup>

The theory that sovereignty lies with the League of Nations appears to have little foundation. There is no provision that the League would have power to revoke a mandate, but it would appear that the consent of the Council of the League would be necessary in the event of a relinquishment of a mandate.

Only in the Iraq mandate do the terms of the mandate seem to leave sovereignty with the community under tutelage. The first article of the Treaty of Baghdad already referred to, which set out in detail the terms on which the mandate was to be exercised, contained an undertaking by His Britannic Majesty 'to provide the state of Iraq with such advice and assistance as may be required during the period of the present Treaty without prejudice to her national sovereignty', and the mandate itself (Article 7) states that British obligations in respect of the mandate will terminate when Iraq is admitted to the League of Nations.<sup>3</sup> For the other A mandates, Syria and Palestine, independence within a measurable time was contemplated, though the Palestine case was complicated by the Balfour Declaration, but the mandatory for Palestine acquired 'full powers of

<sup>1</sup> M. F. Lindley, *The Acquisition and Government of Backward Territory in International Law* (London, 1926), p. 266.

<sup>2</sup> '1. The status of the native inhabitants of a Mandated territory is distinct from that of the nationals of the Mandatory Power and cannot be identified therewith by any process having general application.

'2. The native inhabitants of a Mandated territory are not invested with the nationality of the Mandatory Power by reason of the protection extended to them.

'3. It is not inconsistent with (1) and (2) above that individual inhabitants of the territory should voluntarily obtain naturalization from the Mandatory Power, in accordance with arrangements which it is open to such Power to make with this object under its own law.

'4. It is desirable that native inhabitants who receive the protection of the Mandatory Power should in each case be designated by some form of descriptive title which will specify their status under the Mandate.' (Resolution of the Council of the League of Nations, Apr. 23rd, 1923.)

<sup>3</sup> For the terms of liquidation of the Mandate, see p. 251 below.

legislation and administration'. The mandate for Syria (now also in process of liquidation) lies midway between the Iraq and the Palestine Statutes, since the Syrian mandate provided for the framing of an organic law to take account of the rights, interests and wishes of the populations concerned. All three A mandates presumed some elements of sovereignty, whether latent or actual, to reside in the communities concerned.

'Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized<sup>1</sup> subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.' (Article 22 of the Covenant.)

Therefore the only future change of status contemplated was that ultimately the mandate would be extinguished, and complete sovereignty be acquired by the communities in question.<sup>2</sup>

The B and C mandates, applying to territories which had never had any status other than colonial, did not create a new political status for the communities controlled, except by laying down certain principles of administration.

There has been no definite statement by the Council of the League or by the Permanent Court of International Justice on the question of where sovereignty over mandated territory resides. The report by M. Hymans, adopted by the Council of the League at San Sebastian on August 5th, 1920, says:

'I shall not enter into a controversy—though this would certainly be very interesting—as to where the sovereignty actually resides. We are face to face with a new institution. Legal erudition will decide as to what extent it can apply to this institution the older juridical notions. In the same way, whether the League of Nations is responsible in respect of the Mandatory Powers appears to be a moral rather than a legal question. For there is no legal responsibility except in respect of another person. Now, the responsibility of the League of Nations could only occur in

<sup>1</sup> Millot (*Les Mandats internationaux* (Paris, Larose, 1924), pp. 91 seq. and 115 seq.) explains this provisional independence as arising from the fact that the operations which led to the separation of these territories from the Turkish Empire were undertaken at the request of these communities, and that their co-operation gave them a special standing.

<sup>2</sup> The paragraph cited illustrates the standpoint of the Allied and Associated Powers with regard to the A mandates. But since the Covenant is not included in the Treaty of Lausanne, and as the Treaty of Sèvres, which included the Covenant, was never ratified, the legal argument is based strictly on the mandates themselves.

respect of the populations who are under Mandatory rule. But it is difficult to see in what way this responsibility would be organized, or what measures could enforce it. *Quis custodiet custodes?* The responsibility of the League before the public opinion of the civilized world will in point of fact be a moral one.' (*Document of the Assembly of the League of Nations*, No. 161, Dec. 6th, 1920.)<sup>1</sup>

At the time of the Peace Conference and later it was widely believed that the mandates system was one of veiled protectorates and annexations, that the fate of the A-mandated territories was to become protectorates under a tutelage, quasi-permanent in nature and growing steadily more embracing, and that the status of B-mandated territories was purely colonial and that of C-mandated territories indistinguishable from annexation. This interpretation has proved to be far from the whole truth. At every stage the actions of the mandatory Powers are known and are open to public criticism. The relation is not solely between the governing and the governed countries. There is throughout a third party, the League of Nations, represented by the Permanent Mandates Commission which, though without executive authority, is entitled to and does demand explanations from the mandatory Powers.

It appears, therefore, that the position of a mandated territory approximates less to that of a colony than to that of a protectorate in which not only external but a large part of internal sovereignty has passed to the protecting State. But there is the important distinction that the legal title conferring the rights of administration is international in character, and is not a treaty (duly notified, and occasionally guaranteed by other Powers) between the subject community and the protecting Power. Further, the terms of the mandate prescribe regular reports on the administration to what is in fact a supervisory body, the Permanent Mandates Commission, which, though it has no executive power, reports to the Council of the League, which can make to the mandatory Power any representations that may be necessary. Finally, it should be noted that the Perma-

<sup>1</sup> On the general question of sovereignty see the Council documents noted above, an opinion submitted by the Legal Section of the Secretariat, dated May 20th, 1924, and printed with the Minutes of the 4th Session of the Permanent Mandates Commission, and the resolution of the Permanent Mandates Commission founded on it, which was submitted to the mandatory Powers and subsequently adopted by the Council (June 9th, 1926); the various works on the general subject of mandates; Quincy Wright, *Mandates under the League of Nations*; D. F. W. van Rees, *Les Mandats internationaux*; P. Fauchille, *Traité du Droit international public* (Paris, 1925), pp. 825-88. A full list of the literature which has grown up round the subject is printed from time to time by the League of Nations.

nent Court of International Justice has jurisdiction in cases of disputed interpretation of mandates between States Members of the League. A clause to that effect was inserted in each mandate.

The situation was recently (February 19th, 1937) summed up by Sir John Fischer Williams in a letter to *The Times*:

‘The question where in legal theory the sovereignty of Mandated Territories lies is a question to which a different answer may perhaps be given according to the nature of the Mandate.

‘If the task of the Mandatory Powers is mainly to give advice—as was our position in Iraq—sovereignty may well be with the Government of the country under mandate. On the other hand, in cases where the ordinary daily administration is carried on not by a Government native to the soil but by the officers of the Mandatory Power, as with the African mandates, sovereignty may well be with the Mandatory Power itself. And it was so held, as to South West Africa, by the highest Court of the Union of South Africa, in the case of *Rex v. Christian* (1924), South African Law Reports, Appellate Division 101.

‘But any such sovereignty is held in trust—by which I mean a legal and not merely a moral obligation—for the inhabitants, and is enforceable by the League; it is not the absolute power of a monarch *legibus solutus* to do what he pleases. And the transfer of such a sovereignty is not a question for the sole decision of the Mandatory Power.’

Though the question of sovereignty in mandated territories is more or less academic under ordinary circumstances, the legal position would undoubtedly have to be taken into account in the event of a proposed transfer, since the transaction would concern other parties than the existing mandatory and the transferee. Political considerations might override purely legal conditions if there were only two parties to the change, but it is not certain that the other Powers who might claim to be consulted would take the same view of the desirability of the change.

The legal standpoint adopted by the British Government appears to be that, before any transfer could be accepted, the acquiescence of the inhabitants of the territory, the consent of the present mandatory Power and of the Power to whom the territory was to be transferred, and also the unanimous consent of the League Council would be required. In the House of Commons, in reply to a question, on April 27th, 1936, Mr. Baldwin said that if the question of a transfer of mandates was contemplated, the most careful consideration and procedure of a very elaborate nature would be required.

In this answer no reference was made to the Principal Allied and Associated Powers by whom the allocation of the mandates was

arranged. Two of those Powers, Japan and the United States, are not Members of the League, but it appears certain that both of them would have to be consulted, and, in fact, considerations of general policy would make it impossible for either France or Great Britain, at all events, to neglect American opinion.

The delay in the confirmation of the B mandates, referred to above, was partly due to the absence of the United States from the League of Nations. Separate treaties securing the rights of American citizens had to be concluded between the United States on the one hand and Great Britain, France and Belgium on the other.

The situation with respect to the C mandates proved to be much more difficult. The C mandates were confirmed by the League without the assent of the United States, which has always objected to the omission of the Open Door clause in those mandates.<sup>1</sup> It would appear that the C mandates have never received the formal assent of the United States, except the Japanese mandate for the North Pacific islands, questions in regard to which were settled during the Washington Conference on the Limitation of Armaments, and embodied in a separate treaty signed on February 11th, 1922.<sup>2</sup>

In practice, in the case of transfer of mandated territories, the consent of the United States as well as of the Principal Allied and Associated Powers would almost certainly have to be obtained. It is unlikely that either the United States or the Council of the League would give their approval to any transfer unless the instrument of transfer included the terms of the mandate imposing conditions for the welfare of the subject people, and it is very unlikely that they would consent to any transfer of B mandates which did not include also the retention of the Open Door. As in the transfer of non-mandated territory, other questions of practical importance would be the consideration of how the wishes of the population could be ascertained, and the safeguarding of acquired rights and of financial responsibilities.

The development of the mandated territories since the War has involved considerable capital investment, and it is very doubtful whether that capital would have been forthcoming if the investors had not been assured of the permanence of the mandate. Even the

<sup>1</sup> For the disputes over these mandates, including the American protest that consent had never been given to the inclusion of the island of Yap in any proposed mandate to Japan, see Quincy Wright, *op. cit.*, pp. 50-3, and the references there given.

<sup>2</sup> For details see E. T. Williams, in *American Journal of International Law*, vol. xxvii, pp. 428-39. See also the correspondence between Great Britain and the United States on *Economic Rights in Mandated Territories*, mainly on oil in Iraq (Cmd. 1226 of 1921).

degree of uncertainty arising from the fact that mandated territories are not national territory, as colonies are, has at times led to some hesitation on the part not only of investors<sup>1</sup> but of governments, on the ground that a change of government might jeopardize the service of debts. The question of supplying the necessary confidence has been discussed in the Permanent Mandate Commission.<sup>2</sup> The resolution eventually adopted by the Council of the League (September 15th, 1925) declared that the fact of administration under mandate did not affect the validity of financial obligations assumed by the Government or of rights constitutionally acquired, and that in the event of the cessation or transfer of a mandate preliminary assurances would be required by the Council that these obligations and rights would be respected.<sup>3</sup>

The transfer of a mandate on terms providing for the continuance of the terms of the mandate would be a very different thing from transference to complete sovereignty. When transfer to Germany of her former colonies is suggested, there has so far been no indication whether she would be prepared to accept the limitations of the mandate or not, but various unofficial pronouncements indicate that she desires some large share of any economic and financial advantage to be derived from the administration of the territory.<sup>4</sup>

The Open Door to all States Members of the League is enforced in the B mandates, and in fact no differentiation has been made against those States which have left the League. In the C mandates the Open Door is not enforced, and, theoretically, German traders and investors would have a clear field. But it must be remembered that

<sup>1</sup> See Lord Lugard, *The Dual Mandate*, p. 55.

<sup>2</sup> For a memorandum by Lord Lugard on the subject and the discussion in the Commission, see P.M.C. V. 154-6 and 176-80.

<sup>3</sup> For the conditions laid down at the termination of the Iraq mandate see Chapter XII, Section V.

<sup>4</sup> 'Since, however, the development of colonies depends upon long-term investments, and these investments cannot be made by the native negro population, the German currency system must prevail in the colonial territories, so that the required investments may be made with German credits. These then are Germany's two basic demands in the colonial field: that she have territories under German management and included in the German monetary system.

'All the other questions involved—sovereignty, army, politics, law, the churches, international collaboration—are open to discussion. They can all be solved by means of international co-operation so long as nothing unworthy is imputed against the honour of Germany. The German colonial problem is not a problem of imperialism. It is not a mere problem of prestige. It is simply and solely a problem of economic existence. Precisely for that reason the future of Europe's peace depends upon it.' (Dr. Schacht, in *Foreign Affairs*, New York, Jan., 1937, vol. xv, no. 2, p. 234.)

channels of trade have been changed, and also that there have been changes of ownership of resources.<sup>1</sup> If German colonial policy meant the policy known as assimilation, strong objections would be raised to transfer. The extension of German exchange restrictions to colonial areas would make it immaterial in practice whether there was theoretically an Open Door or not; but it must not be assumed that the present German financial policy is permanent. Broadly speaking, the demand for development on the part of Italy and Germany under the existing régimes is for the extension of their national systems to the colonies. By the conquest of Abyssinia Italy hopes to secure a field where she will not be hampered by existing obligations and where she can exercise monopoly rights, or can share them with other Powers on her own terms.

German spokesmen have declared that their colonial ambitions are purely economic, but, since some ex-German colonies are still costly to administer, it may be that all treaty restrictions, including that of demilitarization, would be unacceptable. The administration of South West Africa has been definitely costly and the Cameroons and Togoland require considerable subsidies. New Guinea also has been expensive, though the position has changed since gold-mining developed. Tanganyika offers more advantages, and Nauru has its phosphates, which would, however, have to be bought. Germany would probably accept international obligations with regard to labour, which, though they may appear to be restrictive, in the long view make for efficiency and the certainty of being able to maintain development.

#### iv. *Property and other Rights*

The considerations set out above apply to the transfer of mandated territories. But general considerations of the rights of investors and property-holders are applicable in all transfers, unless there are special stipulations to the contrary. Any limitations on the sove-

<sup>1</sup> The German plantations in Samoa were bought by New Zealand and are public lands, the proceeds of the rent being paid into the Samoan treasury. The phosphate-mines in Angaur were bought by the Japanese Government, which uses the revenues derived from them for the development of the colony. The salt-mines of Uvinza (Tanganyika), in private ownership under Germany, were bought by the Territory, and are now exploited by a commercial company in which the Government hold a majority of the shares. The Nauru phosphates industry had passed out of German control long before the War, when the German company sold its rights in 1905 to a British company, the Pacific Phosphates Company. In 1919 the Company sold its rights to the Governments of Great Britain, Australia and New Zealand, who conferred the exploitation upon the British Phosphates Commission, a semi-official body. (See D. F. W. van Rees, *Les Mandats internationaux*, pp. 212-13.)

reignty of the transferor would also presumably be binding on the transferee. Limitations of sovereignty may have been imposed by the terms of the agreements and treaties with former native authorities by which a territory was acquired. One very important point would be whether conquest or terms of cession had vested the ownership of the land in the government of the colonizing Power or had left it in the hands of the native occupiers.<sup>1</sup>

It may be, and sometimes is, asserted that conquest vests the control of the soil in the conqueror; but few colonial territories have been acquired by direct conquest, and in protectorates no rights of the protecting Power in the soil can be assumed. In international law conquest is not generally held to justify confiscation of private property, whether of individuals or of communities, existing at the time of conquest.<sup>2</sup> Moreover, in a British West African case it was held that, whatever the intention of the conqueror with regard to the land, its later validity depends on its having been announced as soon after the completion of the conquest as possible.<sup>3</sup>

By transfer, the new sovereign does not acquire rights in land or property of any kind, other than those in the hands of the original sovereign. The rights of concessionaires, owners of railway, mining, and other property and of the occupiers of land remain intact. Transfer means the transfer of sovereignty and not the transfer of property. The disputes arising out of the transfer of the administration of Southern Rhodesia from the British South Africa Company to the British Crown illuminate this point. The British South Africa Company contended that Lobengula had 'sold his country out and out to the Company'. But the Privy Council<sup>4</sup> held that the rights transferred by Lobengula, apart from mining rights, were only administrative rights. 'As a title-deed to unalienated lands they were valueless'; the rights in land remained with the Crown. The judgement went on to distinguish between the rights in land of

<sup>1</sup> See Lugard, *The Dual Mandate*, chapter xiv, 'Land Tenure and Transfer', and R. L. Buell, *The Native Problem in Africa* (New York, Macmillan, 1928), especially i. 209-13 and i. 756, citing the judgement of the Privy Council on land in Southern Rhodesia and in the Apapa land case, presenting two opposite views, cited below.

<sup>2</sup> These considerations have hitherto held good because transfers have been between countries with comparable systems of national law. Transfer to a Socialist State, for instance, would raise a new set of conditions, under which the retention of property rights, or compensation therefor, would have to be considered.

<sup>3</sup> See the *Belfield Report on Land Tenure in West Africa*, Cmd. 6278 of 1912, and Lugard, *The Dual Mandate*, p. 289, for the procedure followed in North Nigeria, conquered from the Fulani sultans.

<sup>4</sup> A.C. 1919, p. 211.



tribes at a low level of organization and those with a definite legal system of their own which must be respected, and concluded that 'whoever now owns the unalienated lands, the native does not'. The Cave Commission was appointed by the British Government to determine the compensation due to the British South Africa Company on relinquishing administration of Southern Rhodesia. The Privy Council judgement just quoted had agreed that the company was entitled 'to due reimbursement of any outstanding balance of aggregate advances made by it for necessary and proper expenditure upon the public administration of Southern Rhodesia'. The company's claim for its deficit with accumulated interest amounted to £7,866,000. The claim for interest was rejected, and the sum of £3,750,000 was agreed, the company retaining the land which it was developing on a commercial basis, and its mining rights. The mining rights still remaining in their hands in 1933 were then purchased by the Government of Southern Rhodesia for £2,000,000.<sup>1</sup> The company's principal asset in Southern Rhodesia to-day is its interest in the Rhodesian railways.

In the Apapa land case<sup>2</sup> the Privy Council emphasized the 'real right of the title to land occupied by a native community', based on 'a communal usufructuary occupation, which may be so complete as to reduce any radical right in the sovereign to one which only extends to comparatively limited rights of administrative interference'. In the light of these two judgements transfer of the sovereignty of Nigeria would carry with it no title to land beyond the administrative right theoretically asserted, while transfer of Southern Rhodesia would bring with it the control of any land not alienated or included in Native Reserves. In Nigeria the British Government held that conquest had placed them in control of the land, but that this control must be exercised according to native custom. To exact a rental or a land tax would be to create 'the new and strange idea of property in the land itself'. The limitations on full ownership would, in short, be transferred with the territory.

Sometimes the various property rights are expressly safeguarded by the terms of the treaty of cession. In the Treaty of August, 1916, according United States recognition to Danish interest over the whole of Greenland and ceding the Danish West Indian Islands to the United States, against a compensation of 25 million dollars, the cession was stated to include all island public property belonging to Denmark, together with the relevant archives, &c., but it did not impair private rights of property held by individuals or associations,

<sup>1</sup> Buell, *The Native Problem in Africa*, vol. i, pp. 212, 218.

<sup>2</sup> A.C. 1915, 609, Southern Nigeria.

and special provisions dealt with the rights and liberties of Danish subjects, payment of allowances to retired officials, &c.

It appears, therefore, that no wealth other than government property is acquired by cession, and that capital obligations must continue to be met.<sup>1</sup>

The obligation in respect of government debt is relatively simple, since the commitments are definite. But where part of the public debt was incurred on account of railways and other public works, it is conceivable that the purchaser might insist on taking over the assets at a valuation which might be substantially less than that portion of the public debt incurred in respect of them. Private investment would normally be unaffected, unless the new Government decided to expropriate concessionaires and others, when the undertakings would have to be taken over on the basis of a valuation. Even over debt incurred by the Government on account of budget deficits, it would seem that some bargaining might occur; the settlement with the British South Africa Company showed a difference of opinion on what had been necessary and proper expenditure on public administration.

Another consideration may be briefly noted. Even if the incoming Government were required to take over at its face value the Government debt, including debt on railways and public works where these were government property, they would be acquiring a colony at a cheaper rate than if they had acquired the same territory direct from any primitive people, either by cession or conquest. It is practically impossible, in any territory which has been a colony for a long period, to estimate total capital investment, for the simple reason that the initial costs are usually non-recoverable expenditure by the metropolitan Power. The new-comers would also inherit the fruits of investment for the opening-up of the country, since much of the capital originally invested has probably been lost. In fact the transferee takes over a going concern and is spared the heavy costs of the first stages of development. The kind of situation which may arise over government debt is shown in the arrangements which have to be made with regard to the finances of the Sudan Condominium, under the régime prescribed in the Anglo-Egyptian Treaty of 1936.<sup>2</sup>

<sup>1</sup> For the extent of these obligations in particular colonies, see Chapter XIV, section v.

<sup>2</sup> Since 1924 the Egyptian Government have paid an annual subvention of £750,000 into the Sudan treasury for military purposes. They have financed the bridges over the Blue and White Niles, harbour works at Port Sudan and certain railways. These contributions from the Egyptian Exchequer have borne no interest, and have not been repaid. In return for this expenditure Egypt has received definite advantages, in the security of her southern frontier and of her water supplies, neither of which would have been safe if anarchy had

The terms on which the mandated territories were taken over have a special interest. Although they were acquired by conquest, compensation was made for private property expropriated, though compensation was not made direct to the owners, but was made over to Reparations Account, the German Government being left to compensate its nationals.<sup>1</sup> Compensation was in general decided by what the properties would fetch. Where they were put up to auction some of the purchasers were the original proprietors. In the British mandated territory of Cameroons the German rubber, oil and banana plantations in the highlands were put up to public auction in London, but there were no offers, and in 1925, at a second auction, they were sold, most of them to Germans. Of fifteen plantations, thirteen are in German hands and two belong to British companies. In the French mandated territory of Cameroons, on the other hand, only small concessions seem to have been acquired by Germans. But though there was compensation for private property expropriated, no compensation was paid by the mandatory Power on the public debt or on government property taken over. Conquest was held to justify confiscation of government property. Hence the new administration took over going concerns unburdened by public debt. Since German colonies were relatively new colonies, they were not generally in a position to balance their budgets, and large annual deficits had to be met by the German State in each of the six years for which detailed information is available from the formation of the Ministry of the Colonies until 1913. In addition to the expenditure on meeting government deficits, considerable government loans had been made, partly for public works of various kinds, but partly as assistance for other purposes. The mandatory Powers incurred no liability in respect of this expenditure.<sup>2</sup>

prevailed in the Sudan. If no Egyptian aid had been forthcoming, the Sudan would probably not have been able to balance her budget, and would consequently not have been able to borrow in London on such favourable terms as she has done. 'Therefore it seems that in the reconsideration of the terms of the Condominium, Egypt might reasonably claim a degree of reimbursement.' (See *The Times*, Oct. 30th, 1936.)

<sup>1</sup> The expropriation of German property-owners caused great difficulty in the Territory of New Guinea. In 1921 the 268 German plantations alone were valued at £4,000,000, but owing to the difficulties of finding buyers for the German properties, which also included large stores, workshops, port facilities, &c., a working loss of nearly £1,000,000 was incurred by the Expropriation Board. When the properties were eventually sold they realized over £3,350,000, but whether the whole of this sum was paid into Reparations Account or whether interim costs were charged on it is not clear. (For particulars see J. A. Spicer, 'The expropriation and sale of German plantations in the Mandated Territory', in *The Australian Mandate for New Guinea*.)

<sup>2</sup> Budget deficits in German colonies in the years 1908 to 1913 were heavy.

On the other hand, where European territory was transferred, the French and Polish Governments assumed liability for that part of the German public debt which might be taken to attach to the annexed territories. The distinction appears to have been made because the colonial debt was not included in the public debt of the Reich; it was supposed to be attached to the colonies themselves, which were not annexed, but had the status of protectorates. Any transfer of the mandated territories would, therefore, involve consideration only of the public and private investment since 1918.<sup>1</sup>

In normal transfers by consent,<sup>2</sup> the incoming Government takes over not only any government property but also the liability for the public debt. There is no right of expropriation either of land whose occupancy by natives is admitted, of alienated land or of mining and other property. The ownership acquired by transfer is of Government land or other property, and of mineral rights not already alienated. Where extraterritorial rights exist, they are not extinguished by a change of sovereignty.<sup>3</sup>

#### *v. Assent of the Subject Peoples*

When cession is by a native chief or king to a foreign sovereign Power, that Power may have entered into certain definite obligations towards the subject peoples, which make transfer difficult without their consent. Obligations of this kind are more frequent in protectorates or in colonies which were originally protectorates than in territories annexed in the first instance. Full sovereignty would seem to leave the ultimate decision, juridically, with the sovereign Power, though that Power may feel morally bound not to effect a transfer against the expressed will of the inhabitants. That this consideration is operative is shown in the case of the British High Commission Territories in South Africa.<sup>4</sup> The British Government derives no conceivable material advantage from the delay in handing them over to the Union of South Africa (of which, economically, they form a part). The transfer was contemplated in the South Africa Act of 1909, since the territories must be subsidized<sup>5</sup> and cannot well be

\* A considerable amount of non-recurrent expenditure, not always in the nature of capital investment, was met out of loans, which amounted between 1908 and 1913 to 223 million marks. The loans were taken over by the colonies themselves, the Reich meeting interest and repayments for the time being. See *German Colonization* (H.M.S.O., 1920), p. 136.

<sup>1</sup> The expenditure on the conquest of these territories was borne by the Allied Powers, and was not charged on the revenues of the territories.

<sup>2</sup> See pp. 98-9 above, the sale of the Virgin Islands.

<sup>3</sup> See the terms of the termination of the Iraq mandate, Chapter XII, section v.

<sup>4</sup> See Appendix V.

<sup>5</sup> The total grants made by the British Exchequer to Swaziland and Bechu-

developed independently of the Union. The delay is due solely to the moral obligations imposed on the protecting Power by the terms, and still more by the spirit, of the original agreements with the chiefs.

The conditions of cession by native chiefs are so different and the degree of validity of the treaties so variable that it is impossible to generalize on the legal treaty rights of native chiefs and peoples without a study of each treaty and an examination of whether the chief had in fact authority to conclude it.<sup>1</sup>

In some cases the obligations were made clear at the time when the treaties were made; the negotiations between Khama and other Bechuanaland chiefs and Joseph Chamberlain are a case in point. But even when the moral obligations are less clear, strong arguments would be required to justify the transfer of a population against its wish to the sovereignty of another Power.

The transfer of a protectorate in which the position of the protectorate approximates to that of a protected State would appear to demand the agreement of the three parties, the two sovereign Powers and the native government of the protectorate. In many instances, however, a large measure of internal sovereignty also has passed to the protecting Power and the situation would then seem to be materially changed. Where internal affairs remain entirely in native hands, the original agreement between the advanced Power and the backward State appears to be rather of the nature of a personal contract not assignable without the consent of both parties. Where the protecting Power has acquired internal as well as external control, the position is different. At the time of the proposed cession of a strip of British Somaliland Protectorate to Abyssinia to facilitate a

analand in 1933-4 and 1935-6 amounted to £496,500. 'If Lambeth, Hoxton and Whitechapel were detached from the administrative county of London as separate units of local Government, they would starve, unless the British Exchequer came to their rescue with subsidies' (L. Curtis in *The Protectorates of South Africa, The Question of Their Transfer to the Union* (Oxford University Press, 1934, p. 65). The case would be still worse if veterinary restrictions existed between these boroughs and the rest of London.

<sup>1</sup> Of the West African treaties by which France and England acquired rights, Lord Lugard says:

'It was surely more justifiable for the European Powers frankly to found their title to intervention upon force, and to admit that the chiefs, whom they recognized or appointed, derived their administrative and judicial powers from them, and exercised it with such limitations as they chose to impose, instead of assuming that they themselves derived the right of intervention through cessions of sovereignty, under the guise of "treaties", which were either not understood, or which the ruler had no power to make, and which rarely provided an adequate legal sanction for the powers assumed.' (Lugard, *The Dual Mandate*, pp. 15-16, and 17).

settlement between Italy and Abyssinia, various questions were tabled in the House of Commons as to whether the inhabitants were to be consulted. From the answers given (July 4th, 1935, and later dates) it seems (1) that the distinction between protectorate and colonial territory in the question of transfer, though it must have been taken into account, was not held to preclude transfer; (2) that the Government were not compelled to consult the wishes of the population but accepted the obligation to protect their interests; (3) that in any transfer, Powers (in that case France and Ethiopia) which had treaty interests in the area, must be consulted.

The evidence suggests that whatever uncertainties exist with regard to protectorates, colonies in the strict sense, territory annexed and legally part of the territory of the metropolitan Power, can be transferred by consent between the parties, provided that no pre-emption or reversionary rights have been assigned by treaty, though modern opinion would require that the fullest consideration should be given to any objections raised by the inhabitants.

#### vi. *General Considerations*

Transference involves considerable dislocation, since it means the advent of an administration with different notions of government and a different legal system, and bringing with it another official language, strange weights, measures, and money and so on. Even if the new administration is better than the old, much knowledge painfully acquired becomes useless. Where native law and custom have been respected and the native language used in elementary education and ordinary local intercourse, these things may be retained, but in a large part of the business of life for advanced natives the new system must be used. Nevertheless, when the initial difficulties are overcome, there may be advantages for the natives transferred if the incoming Power has a more enlightened colonial policy and is prepared to spend on developing the territory, if all native rights acquired are maintained and if the transfer enables the territory to become part of a larger unit within which movement of men and goods is free.

It is highly desirable that any change of ownership should consolidate areas rather than divide them. The prosperity of Netherlands India has been facilitated by the union of the whole archipelago under a single administration, allowing of the establishment of an excellent system of communications and a real co-ordination of interests. The contrast with the West Indies under four different administrations, with imperfect inter-island communications and

little co-ordination of interests, is very great.<sup>1</sup> The inclusion of the former German African colonies in neighbouring colonial customs unions has been of considerable advantage to them. From the purely economic point of view, Africa requires integration rather than disintegration. No reshuffle for political purposes should be permitted which will multiply customs barriers and encourage the construction of non-economic roads and railways.

Transfer would be less difficult if there were general agreement on the general principles of colonial administration and more co-operation between neighbouring colonial governments. At present there is little agreement, though some advance has been made by the adoption of multilateral conventions in the interests of colonial peoples.<sup>2</sup> Certain qualifications may reasonably be demanded of any would-be colonial Power: ability to defend the colony and to maintain law and order, and willingness to adopt international conventions on labour and other conditions. A general agreement on demilitarization would make some readjustment easier, but such agreement appears to be unattainable without an effective system of collective security, especially as one great colonial Power, France, depends to some extent on colonial man-power.

Redistribution of territory is rendered much more difficult by the division of Europe into democratic and authoritarian States. The philosophy of government at home necessarily colours the philosophy of colonial government. It is true that different degrees of democracy existed in European countries before the War, but there was no such contrast between the systems in operation as there is to-day. The redress of colonial grievances depends eventually on the power to appeal to the Parliament and press of the metropolitan Power. Transfer to a country without parliamentary government would mean the removal of these safeguards. Backward peoples, being more defenceless than others, especially require the protection of democratic institutions in the metropolitan country. The principal colonial Powers are democratic States and supporters of the League of Nations; the principal dissatisfied Powers are totalitarian States out of sympathy with the ideas of international co-operation embodied in the Covenant. It would be one thing to transfer existing mandates to Powers accepting the Covenant with the qualifications of colonial sovereignty embodied in Articles 22 and 23, and quite another to transfer these mandates or the sovereignty of any colonial territory to States repudiating the Covenant, and with it the international machinery set up to promote

<sup>1</sup> See Chapter XI, section v, for a note on proposals for co-ordination.

<sup>2</sup> See Chapter XIII, below.

international co-operation and to ensure certain common standards in the administration of subject peoples.

In view of the difficulties attending transfer described in the foregoing pages, it seems more practical to consider alternative means of satisfying the grievances of non-colonial Powers. Some of the suggestions made have been considered in the preceding chapters, but it must be remembered that none of them satisfy colonial 'hunger' in terms of prestige and world power.





**PART II**  
**THE COLONIAL ASPECT**

- VII. Colonial Policies.**
- VIII. The Population Problem.**
- IX. Native Production.**
- X. Labour.**
- XI. Development of the Community.**
- XII. The Present Status of Colonies: Theory and Practice.**
- XIII. Common Principles of Administration.**



## CHAPTER VII

### COLONIAL POLICIES

Basis of colonial domination—policies by periods—French, Portuguese and British statements of policy—Dual Mandate—classification of existing colonial policies—different attitudes to racial problems, locally and by Empires—South African policy—Soviet policy.

THE colonial question has so far been examined from the point of view of satisfying the claims of countries discontented because they think they do not enjoy an equitable share of the advantages derived from colonies. Some of the concessions which might be expected from the colonial Powers have also been considered. But the vital aspect of the colonial question is the direction of colonial policy in the interests of the colonial communities themselves, rather than the satisfaction of outside claims. There is inevitably a continuous process of change in the colonial world, because the relations between an advanced nation—the colonial Power—and a backward community must be constantly readjusted as the respective standards tend to be assimilated through the development of education and of the arts of agriculture and industry among the subject peoples. A serious obstacle to any fruitful consideration of the colonial question as a whole lies in the divergence in the aims of the colonial Powers and in their general conceptions of the objectives of colonial dominion. Moreover, even if there were more agreement on general principles, no uniform policy can be applied to populations living and working under widely different conditions and at varying degrees of civilization; there cannot be any cut-and-dried course of action applicable to all conditions. All that is possible is the formulation of some basic principles to which policy in individual colonies might conform. The practical difficulty is, of course, not so much in finding formulas wide enough to cover all the cases, but in generating the spirit which will translate accepted principles into terms of honest administration, and not merely use them to mask the interests of the metropolitan Power by the enunciation of high-sounding principles. There have always been pleasant names for colonial policies, even for some iniquitous policies, euphemisms collectively described by critics of colonial administration as *le mensonge colonial*.

#### i. *The Basis of Colonial Domination*

There is discernible in colonial policy an element of the Aristotelian theory that some men are born for the superior occupations and for

that leisure which provides the basis for an advanced civilization—these are citizens—and that others are born with bodies and minds fitted for the humbler kinds of toil—slaves. For citizens and slaves, read 'ruling races' and 'backward peoples'. The backward peoples are to work hard at a low wage to provide food and raw materials; the ruling people are to give in return protection, order, justice and manufactured goods produced in the metropolitan country under a wage certainly higher than native wages. The simple, communal organization of native life must be broken up if sufficient labour is not forthcoming. But the native, though brought into the world economic system, and however well qualified, must not compete with the white man, and must not aspire to fill the higher positions in the professions and in the administration.

This crude description is not wholly true of any area, or of any period in modern colonial history,<sup>1</sup> but there are large areas in which, with some modifications, the principle of subordination is still in practice a ruling motive, although not always avowed. The history of Christian missions and the practice of enlightened white colonists disproves the theory that the relations between the ruling and the subject races are inevitably those of superiors with inferiors. All colonial Powers admit in one form or another the obligation of trusteeship to the people under their charge. All have subscribed to the basic principle of Article 23 of the Covenant which prescribes 'just treatment of the native inhabitants', though interpretation of this phrase shows considerable variations in practice.

The element of economic subjection persists in policies aiming at a closed market for the metropolitan country in the colonies. The neo-mercantilist theory, which has revived in recent years, is an extension into the colonial field of the theory of economic nationalism, the colonies for economic purposes being regarded as an integral part of the metropolitan Power and as such forming part of the internal market. Their part in particular is to provide raw materials for the industries of the metropolitan Power and a closed market for its manufactured goods. Assimilated colonies are not, however, identified with the metropolitan Power in every respect. They are

<sup>1</sup> 'General statements will be open to criticisms and inconclusive. . . . The temper of mind vaguely called humanitarianism, which coincides largely with the democratic creed and the fundamental principles of Christianity, has always been adverse, and at some periods vehemently and effectually adverse to the temper which lies at the root of colour prejudice and the disposition to think of the African as a predestined labourer and to sanction his being treated accordingly.' (Lord Olivier, *White Capital and Coloured Labour*, p. 49.)

not, for instance, encouraged to manufacture their raw materials on the spot (except perhaps to the first stages of processing, i.e. preparing semi-manufactured products), since by so doing they would enter into competition with the industries of the metropolitan Power. They are in fact denied the right of developing the kind of economy which the metropolitan Power enjoys. Their relation to the mother country is one of inferiority, and any progress in education or in self-government which would give them anything like political equality is logically deprecated, since the economic ascendancy of the metropolitan Power would be thereby threatened. The policy of the closed market has never been accepted by the English and the Dutch, though under the stress of circumstances in recent years they have introduced some trade measures favouring their own nationals.

Naked exploitation is abjured, and a great effort is being made throughout the colonial world to reform the administration of native affairs, to improve justice, education, health and the conditions of labour and to provide the communications and other facilities without which the development of wealth must be slow. Harsh critics say that these measures are undertaken to increase the profitability of the colony, for which a healthy and willing native labour force is required. This consideration undoubtedly has some weight, but the main force at work is a sense of duty to the governed peoples. The hitch comes when conflict arises between the interests of the native population and the interests of the outside world, between the two aspects of the Dual Mandate, 'the dual responsibilities of the controlling Powers in the tropics—viz. as trustees to civilization for the adequate development of their resources, and as trustees for the welfare of native races'.<sup>1</sup> Nevertheless, there has been general advance. Lord Olivier, writing with particular reference to Africa south of the Mediterranean zone, has divided the history of colonial policy into four periods,<sup>2</sup> which he describes in the following terms:

- (1) White commercial capitalism exploiting<sup>3</sup> coloured labour transported (the slave-trade period).
- (2) Colonial Liberalism aiming at justice and humanity in relations with coloured peoples.

<sup>1</sup> For an analysis of the inherent incompatibilities see Leonard Barnes, *The Duty of Empire*, pp. 151 et seq.

<sup>2</sup> Olivier, *White Capital and Coloured Labour*, chaps. iv and xxiv.

<sup>3</sup> Exploitation in the sense of taking unfair advantage of the inferior position of the labourer. For a discussion of the conditions under which exploitation in less violent forms may take place see Chapter X, below.

- (3) White commercial capitalism exploiting coloured labour in Africa; and
- (4) The new departure of 1919.

In the first period, in the sixteenth and seventeenth centuries, joint stock enterprise was developed for colonial purposes more rapidly than at home. Excluding emigrant settlements, such as those of the Huguenots and the Pilgrim Fathers, European colonization in America, the Cape of Good Hope, India and the East Indies was begun by chartered or licensed companies of English, Dutch, French and Portuguese origin. Trading-posts in Africa were engaged in the slave trade, which provided African labour for the cultivation of American and West Indian products.<sup>1</sup>

In the second period, under the influences radiating from the French Revolution and the spread of humanitarian doctrines in England, there arose the agitation which led to the repudiation of this system and the eventual abolition of the trade in slaves. Moreover, the nineteenth century saw great emigration from Europe; white settlement was extended in the United States, and the free societies which are now the British Dominions were founded, the colonists carrying with them the notion of democratic government. In the generations after abolition the British Government consistently urged the observance by colonial governments of the principles of liberty, equality and justice for all races, sometimes against the will of the colonists.

The third period, dating from the Partition of Africa, showed a reversion to the opening up of territory by licensed and chartered companies, and stress was laid on the urgency of rapid economic development in Africa, and in the Pacific. The former liberal policy remained intact in British West Africa, and in those colonies enjoying constitutional rights of long standing, but elsewhere in Africa considerable modifications of it prevailed. The worst excesses of the new period of exploitation were in the Congo Free State, but there were many other instances of exploitation of labour on a large scale entailing heavy losses of human life.<sup>2</sup>

The fourth period, since 1919, has seen the adoption of the Covenant of the League of Nations and of the principle of trusteeship, but the insistence on development is as great as ever. Development benefits the native as well as the outside world if it is well conceived. But if development by European capital in the European interest is

<sup>1</sup> For this period see H. A. Wyndham, *The Atlantic and Slavery* (R.I.I.A., Oxford University Press), 1935.

<sup>2</sup> See Woolf, *Empire and Commerce in Africa*, chap. ii.

pushed too fast at the expense of the native communities, or if white settlement encroaches too much on native lands, the case is different. Lord Lugard's definition of the Dual Mandate offers many difficulties. The crux comes when it has to be decided which interest is 'paramount', to use the words of the 1923 British White Paper,<sup>1</sup> the interest of the native or of the colonizing Power. It is evident that much work has to be done before perfectly just solutions are reached. The acceptance of a considerable body of international labour legislation constitutes a great step forward in so far as actual labour conditions are concerned.<sup>2</sup>

A French view of the alternatives in colonial administration may be quoted:<sup>3</sup>

'When the great Powers found themselves face to face with the very different populations which we call native populations—some primitive, some deriving from a highly developed and ancient source—different policies were adopted, and there were three which all reasonable people have since renounced.

'First there is extermination, as in Tasmania, where we are shown the skull of the last native of the exterminated race. The second method of procedure has been crowding into reserves; men have been parked as beasts are parked. The third solution has been enslavement and the establishment of a human category destined to serve as labour for those in command.

'Another policy which has been tried is that of assimilation with the intention of bringing the native populations up to the level of the civilizing power, by placing them under the same laws and giving them a similar education. The English tried the imposition of English laws on the divers peoples of India, with the idea of making them homogeneous. The attempt had to be abandoned, and the English then tried to create special Anglo-Indian legislation, but they were faced with the difficulty of incomprehension on the part of the subjects, and absence of tradition on the part of the magistrates. Eventually the solution had to be found in the study of local, political, juridical, and social customs and its codification with the necessary modifications.

'And the other theory, fashionable in certain colonies, is the absolute respect for native customs. Native customary law is to be codified but the trouble is that the very fact of codification changes it. Moreover, codification gives the stamp of a permanent code to a custom which is in process of evolution. The great problems of these native societies are the possession of land and the possession of women, and both of these are constant subjects of litigation, and are based on quite different principles from those of other countries.'

<sup>1</sup> Cmd. 1922 of 1923.

<sup>2</sup> See Chapter X, section ii, and Chapter XIII, sections ii and iii, for details.

<sup>3</sup> M. Gabriel de Joubert in *L'Empire colonial français*.



## ii. *Declared Policies of the Colonial Powers in Relation to Subject Peoples*

The enactment of the clauses relative to native interests in the mandates has undoubtedly brought up the standard of native administration in the B mandates to the level of the best administered colonies at a similar stage of development, and above the level of many, especially in the stipulations with regard to land tenure. There is evidence that, in the sixteen years which have elapsed since the terms of these treaties were elaborated, their influence has spread beyond the bounds of mandated territories.

Portugal, until recently regarded as the most backward of colonial Powers,<sup>1</sup> has put out a comprehensive and enlightened charter of native rights. French colonial administrators have abandoned the word 'assimilation' (for administrative but not yet for trade purposes) for that of 'association'. 'The working of the French colonial system,' writes M. Sarraut, 'conceived for the benefit of both parties, no longer serves the spoliation of one race by another, but their "association", to use the happy phrase which has become our colonial motto.'<sup>2</sup>

M. Brevié has defined in more detail association for mutual benefit between the colonizing Power and the indigenous race:<sup>3</sup>

'The extent of this collaboration is perfectly defined. The colonial settler brings his superior knowledge, directive talent, moral sense, financial resources and technique of improvement. The native populations represent, at least at the beginning, only potential labour; their goodwill must be directed, their soil must be improved, the hidden riches of the mines, agriculture and stock-raising must be exploited by persistent effort.

'But let us remember that, since an agreement for association has been concluded, it imposes particular duties on the representative of the trustee nations, because moral considerations are mixed with material interests. It implies a fair division of the benefits of the enterprise in proportion to the efforts of each party. It not only excludes all idea of exploiting the natives, but imposes on the superior associate the duty of granting generously to his less well-endowed partner a share in those moral and material developments which will later be translated into the imponderables of confidence and sympathy by which the enterprise will be the gainer in the end. . . .'

<sup>1</sup> See a summary of an American inquiry carried out by Mr. W. Alston Ross and Dr. Cramer in 1924 in Olivier, *White Capital and Coloured Labour*, chap. xv.

<sup>2</sup> *La Mise-en-valeur des colonies françaises*, p. 19.

<sup>3</sup> At the opening of the Session of the Government Council of French West Africa, Dec. 7th, 1934.

British statements are even more categorical. For British East Africa, in some parts of which the conflict between native and other interests is acute, an attempt has been made to harmonize the two claims in repeated declarations. The Report of the Parliamentary Commission<sup>1</sup> states that the government of these territories should properly be regarded as a threefold trusteeship:

‘First, for the moral and material development of the native inhabitants.

‘Secondly, for humanity as a whole (the duty here being to develop the vast economic resources of these territories for the benefit of the whole world—a duty the conception of which has been made familiar by Lord Lugard in his doctrine of the Dual Mandate).

‘Thirdly, for the immigrant communities, whose initiative, knowledge, and material resources are necessary instruments in the fulfilment of the first two tasks.’

These three obligations, the Commission believe, are not necessarily in conflict. Properly interpreted, they are complementary parts of a single obligation which cannot be fully performed if any of those parts is neglected.

In the White Paper of 1923 (Cmd. 1922) it was laid down that:

‘Primarily Kenya is an African territory, and His Majesty’s Government think it necessary definitely to record their considered opinion that the interests of the African natives must be paramount, and that if, and when, those interests and the interests of the immigrant races should conflict, the former should prevail.’<sup>2</sup>

*The Report of the Commission on Closer Union of the Dependencies of Eastern and Central Africa* elaborated the principles on which any conflict of interest which may arise between the ruling and the subject peoples should be regulated.

It is easier to assert the paramountcy of native interests on paper than to maintain that paramountcy intact against the pressure of capital seeking the development of mineral and agricultural resources without reference to the disturbance of native life involved. M. Sarraut’s pronouncement is more modest, since it does not go beyond association, and does not assert paramountcy of native interests.

The phrase ‘Dual Mandate’ fairly covers these declarations of British and of French policy towards backward peoples. In fact the aims of colonial administration—developing colonial resources for the benefit of the outside world and for the prosperity and advancement of the subject peoples—may both be served by a given course of

<sup>1</sup> East Africa Commission, Cmd. 2387 of 1925.

<sup>2</sup> Cmd. 3234 of 1929, pp. 40—1.

action in given circumstances, or they may not. In the discussion of settlement, labour and development below, instances are given of the difficulty of the concurrent pursuit of the two aims. The colonial Power has incurred a definite responsibility in bringing primitive communities into contact with a fluctuating world economy, the ups and downs of which it is beyond the power of the administrations themselves to control. Even apart from the difficulty of adjusting the economy of the colony to sudden rises and falls in the prices of the commodities produced, there is strong pressure to subordinate the interests of the colonial community to outside financial and industrial interests.

The general assumption is that colonial wealth must be rapidly developed to maintain European industry (America is relatively independent in resources) at its present level and to allow of its increase. But undoubtedly the notion that backward countries should provide fields for investment, with a view to developing their resources for export, places on them a strain which may be excessive. Only where the natives have been able to develop production by and for themselves is it certain that development will bring with it, to the territories concerned, anything like the enrichment it should. The problem is insistent in the African countries opened up in the last half-century; the position of older developed countries, in which the process has been slower and where the populations have been able gradually to adapt themselves to the new conditions and improve their own standing, is different. The demographic effects of the depletion of the man-power of African villages and societies for development and industrial purposes has given cause for serious alarm to the Governments of French Equatorial Africa, of Belgian Congo, and of Nyasaland.<sup>1</sup> On the other hand, in some colonies wealth is being built up inside the country, and the natives are increasing in numbers and raising their standard of living. Nevertheless it is idle to under-rate the inherent weakness of peoples who are unable to press their point of view effectively through constitutional channels.

The aims of existing colonial policies may be roughly grouped under four categories:

- (a) Exploitation, in the sense of maintaining the colony in perpetual economic subordination to the metropolitan country, but providing at the same time for social and other services for the well-being of the people.
- (b) The policy known as 'The Dual Mandate'.
- (c) The gradual ending of the colonial system by education of the

<sup>1</sup> See Chapter XI, sections ix and x.

people in self-government and by development of the resources of the territory, thus preparing them for an eventual liberation from tutelage.

- (d) The ending of the colonial system by incorporation of colonial territories within the boundaries of sovereign States, accompanied by the grant of rights and privileges for the incorporated populations equal to those enjoyed by the citizens of such States.

These policies may be coexistent in the same empire. Moreover, there are many gradations within the various categories and between the four. But each represents certain reasonably defined aims. The formulation of governing principles capable of general application is therefore extremely difficult when the ends sought differ. The itinerary cannot be drawn up until the eventual destination is determined. The destination in (a) must be admitted to be the indefinite continuation of colonial servitudes. The Dual Mandate implies the maintenance for an unspecified period of the colonial system, more or less on the basis laid down generally in Article 23 of the Covenant, and more expressly in Article 22 for the B mandates. It may be assumed that the 'Dual Mandate' and the B mandate imply education for ultimate self-government, though the period of tutelage is likely to be prolonged, and that there can be no rigid distinction between the categories (b) and (c). Solution (d) has admitted difficulties except in territories contiguous with that of the sovereign State.

French policy aims at making the colonial peoples Frenchmen; and where, as in Africa, account must be taken of tribal and social traditions which prevent any early realization of this ideal, the educated classes become French, and the others acquire some spoken French and are expected gradually to emerge from their present state. The republican theory of *liberté, égalité, fraternité* is not easily fitted to the facts of colonial rule, but it is not abandoned. The British, on the other hand, do not desire to make Africans Englishmen, but would like them to remain Africans even when they have received a university education, and to help in the development of African States. These aims are reflected in the administrative systems of colonial Powers, centralized in the French Empire and decentralized in the British.<sup>1</sup>

### iii. Racial Problems

The colonial Powers differ in their attitude to racial differences within the colonial community. Policies range from that of no colour

<sup>1</sup> See Chapter XII, and Appendix on Forms of Government (Appendix X).

bar, with intermarriage between members of the governing and of the subject race, to a fairly complete differentiation between the industrial, professional, political and social spheres of the ruling and of the subject race or races. Official statements and legal enactments do not always provide a complete picture of the real position, since imponderable social differences must always play a large part.

There are in theory various policies:

1. the complete absence of discrimination, with equal juridical and social conditions for all races;
2. discrimination based on education and other tests permitting a degree of assimilation of the educated classes and those qualified for the public services to the governing race;
3. the reservation of certain occupations for non-natives;
4. segregation with a complete colour bar.

These methods often overlap. Practical considerations prevent the complete adoption of the last, and the first—which embodies the notion of equality before the law and the brotherhood of man, the principles professed by Christian Europe—rarely even approaches completeness.

Policy in the British Empire varies with local conditions. Inter-racial relations take very different forms in the West Indies, in southern Africa, in west Africa, in New Guinea, for obvious reasons. There are similar differences of outlook in the French Empire, reflected in the diverse qualifications required locally for French citizenship; there is no distinction between a French citizen born in Normandy and one born in Martinique, but there may be said to be a racial problem in some French colonies.<sup>1</sup>

The colonies in which the greatest advance towards racial equality has been made are usually old-established countries where there has been admixture of blood for generations; they have advanced towards self-government; the language of the 'mother country' is the ordinary medium of everyday life or a lingua franca; and the Christian religion has long since been adopted. There is no colour bar in the British and French West Indies. There are no 'natives'; persons born there do not derive from aboriginal stock, but from white and black forefathers established there in the past. In the British West Indies the situation varies from island to island. In Jamaica, where the emancipated negroes were given land on which to grow their own food, they became really free men,

<sup>1</sup> For the historical background of these policies see H. A. Wyndham, *The Atlantic and Emancipation* (to be published shortly).

not universally dependent on wage-employment; moreover, the sense of political and social independence for all free men has been strong throughout Jamaican history. In those islands where the negroes received little land and remained dependent on estate work for their livelihood the social colour bar has persisted to a greater extent. There is no distinction in the administration<sup>1</sup> or in the courts, either in the French or in the English islands. An Englishman in Jamaica may be brought before a coloured magistrate, nor is there any racial distinction made in public vehicles or places of entertainment. This is not to say that individual social prejudices are gone and that there is social intercourse and frequent intermarriage; indeed, juridical and economic equality has advanced, according to some observers, side by side with a decrease of miscegenation between the racial groups, and even between the various grades of colour.

The inhabitants of the French islands are automatically French citizens; they are, like St. Paul, 'born free', and have not to acquire their privilege by merit, as in Africa. Legal equality and a degree of social equality have been more easily achieved in the West Indies because the negro population, long separated from Africa, have acquired the European language, religion and ways of life, and have never had any tribal organization. The question of the tribalized and detribalized native did not arise. Similar conditions prevail in Mauritius and Réunion, both of which are French-speaking,<sup>2</sup> although Mauritius is under British rule, and here the Indian minorities are important. In all these places there has been much assimilation, and all possess representative institutions modelled more or less on those of the mother country. In Ceylon and Malaya, also colonies with advanced constitutions, there are minority questions, but not, strictly speaking, a colour bar.

Apart from differences arising from the degree of social organization reached in the colonies themselves, there are differences in

<sup>1</sup> 'Difficult Barbados, the most exclusive and colour-conscious of the islands—with an almost desperate population problem—is at once evidence of the high psychological value of a common franchise and a crushing exposure of the needlessness and folly of a colour bar. To blacks who qualify themselves the franchise is open. For those who can afford it the best schools are available, also on equal terms. In effect a career is open to talent—and so far from threatening the overthrow of white civilization the coloured leaders of the Opposition in Parliament are staunch supporters of the constitution which enabled them to reach their present station' (W. M. Macmillan, *Warning from the West Indies* (London, Faber & Faber), 1936).

<sup>2</sup> Mauritius is generally so described, though the French spoken by the Creole population was a patois even before Indian immigration caused a further deterioration. Pure French is spoken only in the upper circles of society.

the attitude of the ruling nations towards the coloured races. Generally speaking, racial distinctions are more strongly marked between white and coloured people in English and American than in French, Italian and Portuguese colonies. The words used to express the relation, 'assimilation' and 'association' by the French, 'trusteeship' by the English, and 'parallelism' (as a philosophic translation of segregation) by South Africans, illustrate the point.

In the Dutch overseas territories there is no colour bar, and in Netherlands India all careers are open to the educated Indonesian. Nevertheless, there exists a clear social distinction between 'Europeans' and the indigenous population.<sup>1</sup> 'European' is understood in a very wide sense and legally includes, as in many French colonies, persons of mixed descent and persons who have placed themselves under European as opposed to native law. The Indianization of the services has made great strides in recent years and may eventually affect the position. The Dutch system, with its successful insistence on decent conditions of health and cleanliness, is steadily raising the standards of the people. Add to that a good system of education, and it is clear that in time the gulf between Europeans and Javanese will diminish further.

In Portuguese colonies no distinction is made, and there has been some racial admixture. The colonists have assimilated much of the indigenous mode of life, and reveal a remarkable capacity for adapting themselves to African conditions. In some coastal centres their descendants live under much the same conditions as the better-class natives.<sup>2</sup> The Portuguese point of view was expressed by M. Freire d'Andrade:

'I do not think it is an effective system to try to bring about the development of native races by preserving their customs and creating two classes, the supervised and the supervisors—in South America there is no race problem. Why? Because in North America the natives or negroes are regarded as inferior; in South America they are looked upon as individually equal. Thus I think that in Africa natives and Europeans must be side by side on a footing of individual equality.'<sup>3</sup>

Nevertheless, the native populations under Portuguese rule are under considerable disabilities, because the administration have insisted that the native must be made to work, whether he wants

<sup>1</sup> The term 'European' is indicative of status rather than of descent. A native may become a European by application (usually supported by the Resident of the province) to the Governor-General. Status is largely therefore a question of education. Japanese residents are 'Europeans'.

<sup>2</sup> D. Westermann, *The African Today* (Oxford University Press, 1934), p. 269.

<sup>3</sup> P.M.C. Minutes, VII. 207-8.

to or not, and the recent colonial charter has not yet had time to take effect.

In some colonial areas with large backward populations and in countries with large Moslem populations, where there may be two systems of law, one based on native law and custom and another on European law, there comes a difficult stage in the transition between the two.<sup>1</sup> The Europeanized native comes under European law, the native in European employment, subject to the labour code, is in a half-way position, and the tribal native remains under native law and custom tempered more or less by European intervention. The middle class of these, the detribalized native, has to accommodate himself to an extraordinarily complex situation, in which he can hardly be expected to know what is crime and what is not. The transition from tribal status to quasi-European status takes various forms, but there are under the dual system many hard cases. On the one hand, the educated native or the native who has worked in industrial centres returns to tribal conditions which may be no longer congenial, and on the other the detribalized native, whether labourer or professional man, finds himself with no definite standing among Europeans.

The French solution for the problem in backward countries is to use the French language in the schools and to prepare a small *élite* of French citizens to whom all careers are open, a prerequisite being the abandonment of native modes of life. The citizen becomes a Frenchman, with a Frenchman's responsibilities. The number of citizens is relatively small, though a beginning was made long ago. The French attitude to the colour question has brought some warm tributes from representatives of the negro races. General Nemours (Haiti), speaking at the Assembly of the League of Nations in 1935, said that:

'As he was speaking on behalf of a black Republic, he took the opportunity of saying how grateful his fellow citizens were to France for the manner in which she treated the coloured people entrusted to her care. Her example should be followed, because, in addition to ensuring economic prosperity and order, France raised, not only the moral, but also the intellectual status of the native. She held out to him a friendly and helping hand to assist him to scale more quickly the ladder of human civilization. That was why natives of whatever colour and whatever community regarded France as the great Power that had respected her obligations, not only towards the coloured people entrusted to her as a mandatory Power, but also towards the League of Nations.'

<sup>1</sup> For the position in North Africa, see Appendix X on Forms of Government. For the 'adat' law of Netherlands India see De Kat Angelino, *Colonial Policy*, vol. i, English translation (The Hague, Nijhoff, 1931).



The British solution, in similar circumstances in Africa, is to discourage detribalization where it has not already occurred, and to train natives for responsibilities in native communities. For the town native and the natives employed in mines, &c., there is a variety of policies, none so definite as the French, and differing widely as between east Africa and west Africa, where all sorts of responsibilities are held by natives in communities which have long been detribalized and in contact with white civilization. A West African doctor or barrister may have two generations of English education behind him. In east and central Africa it is hard to define British policy, as the position is fluid and varies from colony to colony. The least justifiable discrimination of all seems to be the bar in certain occupations, extending to the reservation of skilled, well-paid industrial jobs for non-natives. The most important experiment in segregation is being made in the Union of South Africa, a considerable colonial Power, since she has some virtual colonial territories of her own (Transkei, Ciskei, Zululand, and South West Africa and others), and has large numbers of natives from other territories working within her borders. Traces of the South African policy may be found in British territories farther north. The 'colonial' policy of the Union is therefore of great importance.

In the Union it is argued that the races must be kept apart, that white standards must be protected from deterioration by contact with those of the numerically superior black race, and that black civilization must be protected from destruction by the impact of white civilization. It is said that the Union is only attempting to do what enlightened British administrators are doing where indirect rule is practised. Changes are being made by legislation to secure segregation. It must be remembered, however, that there is a large 'coloured' population in the Union, especially in the Cape Province, the oldest settled part of the country, where they have approximately the same political status as Europeans and are not subject to the colour bar. Their mother tongue is English or Afrikaans, and they do not come under legislation affecting pass-bearing natives.<sup>1</sup>

Differential treatment is shown in taxation (native males over the age of 18 must pay a poll-tax), in the curfew in European towns in some provinces (exemption certificates for special purposes), the Pass Laws, and in industry.

<sup>1</sup> See Appendix VI for recent legislation establishing a Native Representative Council and at the same time preventing the inclusion of any new native voters on the franchise roll for the Cape Province Legislature; and for the companion Native Trust and Land Act.

Under the Native Trust and Land Act (1936) extending native lands, it is hoped that some of the two million natives now living outside the areas scheduled for native occupation will be removed from European areas. The difficulties arising from the gap maintained between wages of skilled (mainly white) and non-skilled (mainly Bantu) labour under the conditions obtaining in the Union are worth noting, although the Wages Act (1925) secures the payment of minimum wages to natives. The Chairman of the Wage Board, Mr. F. A. W. Lucas, K.C., explains the situation as follows:

‘Although, however, as I have pointed out above, the Wage Act draws no distinction between employees on the ground of their race or colour, the Act must be interpreted and administered in the light of existing conditions in South Africa. Subsection (3) of section three of the Act draws a distinction between employees who are paid a wage upon which they can support themselves in accordance with civilized habits of life and other employees who are not. The wide difference between the wage which is regarded as possible for Europeans to live on and that paid to Natives makes it necessary to take into account in fixing the wage for an occupation, the question not only whether such occupation is one requiring a degree of skill which should be remunerated above the level of Native wages, but also whether one race or another predominates among the employees in that occupation.’<sup>1</sup>

Unfortunately the Industrial Conciliation Act of 1924 excludes natives from the scope of its operations. The Mines and Works Amendment Act (1926), commonly known as the Colour Bar Act, provides for the possibility of definite demarcation between white and black labour, but it has not been applied. Demarcation is, in fact, effected through the policy and practice of the white trade unions and the operation of the Apprenticeship Acts.

The experience of the Union of South Africa has considerable importance, since the ‘civilized labour’ policy creates a line of demarcation between black and white labour, and so an effective discrimination in wages, though there are signs that the gap in the wages of ‘civilized labour’ and the mass of unskilled native labour is beginning to be regarded as dangerous. But in pure factory legislation there is and can be no distinction of race or colour. Regulations with regard to protection from dangerous machinery, healthy conditions, limitation of hours, are applicable to all.

‘To make a recommendation for Native employees,’ says Mr. F. A. W. Lucas, K.C., Chairman of the Wage Board, ‘would in fact be singling out

<sup>1</sup> *Report of the National European-Bantu Conference, Capetown, Feb. 6th-9th, 1929, p. 123.*

certain employees and the Board held that employees could not rightly be classified as Natives and non-Natives. This decision has been followed by the Board in all its reports and recommendations.'<sup>1</sup>

Some reflection, though in a much modified form, of the policy of differentiation is found in Southern Rhodesia and farther north. Its existence side by side with facilities for African education is likely to provide a discontented educated class, and the discontent filters downwards. It is perhaps the greatest obstacle, in the areas affected by the South African doctrine, to satisfactory white settlement, dependent in the long run on mutual trust and understanding between the black and white races, which cannot exist if contact is rigidly circumscribed. The interests of the community, black and white, are one.<sup>2</sup> It is not always realized that a lowering of the standard of native life brings in its train a lower standard among a large part of the European population.<sup>3</sup> Moreover, the African is a travelled man in these days, and if he travels to Belgian Congo and finds that a Bantu guard and a Bantu engine-driver take over charge of the train at the frontier he will draw the inevitable conclusion. There is a considerable body of advanced opinion in the Union in favour of revising notions on the relation of the white and black races, and this advanced opinion may in time make itself felt.<sup>4</sup> The departments of Bantu studies established in the universities are doing excellent work, and in time will spread more understanding of native needs and aspirations throughout the Union. The Native Representation Council set up under the new Act may provide the nucleus for the consideration of existing Bantu grievances. Much depends on the growing sense of the necessity of securing real co-operation between the white and black elements which have to live side by side. An extension and improvement of the Native Affairs Administration is also contemplated.

<sup>1</sup> *Report of the National European-Bantu Conference*, p. 120.

<sup>2</sup> 'The plain but difficult lesson to learn is that in the long run what is best for the native is best also for the European, as well as vice versa. Since Europeans in Africa believe implicitly in democracy, which at the last is government by consent, their attempt to rule natives by mere domination cannot permanently succeed. If half the effort now being spent on devising ways and means of safeguarding white dominance were given to the task of discovering how best to consult the opinion of the natives and secure their co-operation for the common good, the battle were all but won' (Professor W. M. Macmillan, *Complex South Africa: An Economic Footnote to History* (London, Faber & Faber, 1930), p. 18).

<sup>3</sup> 'Land Apportionment in Southern Rhodesia', by A. C. Jennings, in *Journal of Royal African Society*, July 1935.

<sup>4</sup> See the papers collected by I. Schapera in *Western Civilization and the Natives of South Africa* (London, Routledge, 1934).

In the meantime, although the rate of natural increase of the Bantu population is greater than that of the white, their rate of increase is not as great as it was. The figures for 1936 show an increase of 40 per cent. on those of 1921, from 5,409,092 in 1921 to 7,583,153 in 1936. In the same period the European population increased by 32 per cent. from 1,519,488 to 2,003,512. Dr. J. A. Mitchell, Chief Health Officer of the Union, in 1929 puts down the fall in the rate of Bantu natural increase (still high) partly to the 'struggle for existence' which hardly arose when the Bantu had the whole of the land at his disposal, but he expresses the opinion that the rate is now tending to fall beyond what may be called the 'natural' limit, and he attributes this phenomenon to the denudation of the available land, the change-over in some districts from cattle to sheep farming, with a consequent shortage of milk, to insufficient medical services, unhygienic dwellings, unsuitable European clothing, and greater exposure to infection.<sup>1</sup>

The same problems<sup>2</sup> which are seen on a large scale in the Union are likely to arise in other countries of European settlement in Africa. The policy of segregation demands sufficient self-contained areas for natives and for white men and the undertaking by both of all classes of work. But the European requires native labour, and no European community is even approximately self-contained, whereas in a Bantu country the natives could in time supply their own needs in the professions, in commerce and in labour, though the Bantu finds difficulty in competing with the Indian trader. Under existing conditions there must be compromise. At present low native wages keep down the standard of the lower classes of European labour or make it impossible for those Europeans incapable of anything but unskilled labour to earn any wages at all. There are clearly two facets of

<sup>1</sup> *Report of the National European-Bantu Conference*, p. 157.

<sup>2</sup> There is a mass of literature dealing with the relations of black and white races in the Union of South Africa and in tropical Africa. Publications which may be noted are: the *Report of the South African Native Affairs Commission, 1905*, and the *Report on Native Economic Conditions, 1930-2* (Pretoria, 1932). See also *Report of the National European-Bantu Conference* (Lovedale Institution Press, 1926); J. Merle Davis, *Modern Industry and the African* (London, Macmillan, 1933); Edgar H. Brooke, *The Colour Problems of South Africa* (London, Kegan Paul, 1934); W. M. Macmillan, *The Cape Colour Question* (London, Faber, 1927); Ifor L. Evans, *Native Policy in Southern Africa* (Cambridge University Press, 1934); Leonard Barnes, *Caliban in Africa* (London, Gollancz, 1930), and *The New Boer War* (London, Hogarth Press, 1932); John Kirk, *The Economic Aspects of Native Segregation in South Africa* (London, P. S. King, 1924); Richard C. Thurnwald, *Black and White in East Africa* (London, Routledge, 1935); I. Schapera, *Western Civilization and the Natives of South Africa* (London, Routledge, 1934).

the segregation policy, according as to whether it is practised in the interests of the natives, to protect them from exploitation, or in the interests of the settlers.

The experience of the Soviet Union in dealing with the hundred or so nationalities within the U.S.S.R. has some interest. The Tsarist Government pursued a policy of Russification which led to considerable oppression of the subject races. The backwardness of the tribal groups in Northern Siberia, most of them nomadic or semi-nomadic, with some twenty-six languages not reduced to writing, presented great difficulties. The beginnings of education were slow, but native teachers have been trained, some fourteen representative languages have been reduced to writing, and an institute has been created at Leningrad where some four hundred students representing twenty-eight tribal groups are being trained for service among their own people. In the south and east the semi-primitive existence of more advanced minorities has been transformed. The theory, studied in a special institution, the Institute of Nationalities and the Pedagogical Institute of Nationalities in Moscow, proposes to reanimate the traditional elements and forms of culture and to 'bring them into a new synthesis, consistent with the development of future world cultures national in form and international in content'.<sup>1</sup> It is an ambitious programme, but there is no doubt that progress has been made with its foundation, the improvement of the very primitive conditions of life.

A detailed review of practice under the different administrations and of the results obtained would be a valuable contribution to colonial study. The discontent of native populations, exhibited from time to time in sporadic revolt, is undoubtedly often due to the handling of the colour question, and no satisfactory solution of the colonial problem can be reached without its adjustment.

<sup>1</sup> A. Phinney, 'Racial Minorities in the Soviet Union', in *Pacific Affairs*, vol. viii, no. 3, Sept. 1935.

## CHAPTER VIII

### THE POPULATION PROBLEM

Importance—deficiency of information—vital statistics—communications and health—sparse populations—causes of low rates of increase—labour supply and demand—economies in labour supply.

THE development of tropical countries for the creation of wealth for the inhabitants themselves and the world at large—the production of raw materials and food supplies and the furtherance of trade—requires the provision of law and order, the investment of outside capital, and that technical knowledge and organizing ability which can be supplied only by more advanced nations. It is the business of the colonizing Power to see that these requisites are forthcoming, if the natural resources of these countries are to be used to the best advantage. But good administration, capital, natural resources and directing ability are useless without labour, which in tropical countries must be supplied in the main by the indigenous population. Much more attention is devoted in current literature to investment and trade than to the demographic aspects of colonial development. Yet these are all-important. M. Paul Reynaud, in the report on the French colonial budget in 1935, contrasted three neighbouring territories, Nigeria, French Equatorial Africa and Belgian Congo, and pointed out the enormous administrative difficulties in the French colony, with its meagre and scattered population of three and a half millions, as compared with those confronting British administrators, with an active population of twenty millions, and the Belgians, with a population not so dense as that of Nigeria but three times as great as that of the French colony and more compactly distributed. There are other factors determining prosperity, but a numerous and active population provides the foundations for the building of a wealthy State.

Local resources in population have often been supplemented in the past by the violent method of importing slaves—the West Indies were developed in this way—and more recently by the importation of indentured labour from other tropical countries. The first of these methods was universally reprobated, and has been abandoned; the second has led to administrative and political difficulties which are familiar enough. Modern recruitment from other countries is carefully restricted and safeguarded, but it has its disadvantages and difficulties. In bad times large numbers of workers must be repatriated to homes where there may no longer be a place for them, since the

alternative method of dealing with unemployment by insurance is impracticable; and if part of the recruited labour remains behind it creates thorny social and racial problems (e.g. Indians in south and east Africa, Chinese in Malaya and throughout the Pacific area). Administrations have to decide whether they will admit alien recruited labour; if they will not admit it they have to decide what part of the internal labour supply can be diverted from the village to industrial and agricultural undertakings without undue dislocation, and whether development can safely be pressed forward or not.

Many observers of colonial conditions in Africa think that the pace of development has been too rapid, especially in sparsely populated areas, and that there is in some places a real danger in development by European capital, which may, moreover, be wasted because the supply of labour has been dissipated during development. They fear the strain which is being placed on people who have only recently emerged from primitive conditions. 'French Equatorial Africa', wrote Dr. Muraz,<sup>1</sup> 'needs careful watching. The rhythm of realisation of its great public works should be adjusted to the density of the population and to disequilibrium, only too certain, of its food resources.'

If, therefore, a colony is to be fully prosperous, to the advantage of the colonial community itself and of the world at large, the population must be equal to the demands placed upon it; conversely, the demand for labour must not be pressed beyond what the community can bear. The adjustment required is delicate, and is made more difficult by the general inadequacy of colonial statistics of population.

### *i. Deficiency of Information*

Even the gross figures available are often subject to a considerable margin of error, and the vital statistics necessary for greater accuracy are available only for a few advanced colonies or for small areas in less developed countries. Under these circumstances it is often hard to determine whether population is increasing or decreasing. Even when censuses are available over a long period, comparisons between the figures at different dates may not be valid. Changes in the figures may be due partly to more comprehensive and more exact methods of census-taking, which is a difficult business in primitive countries. Apart from bad means of communication and the constant shifts of population, there is a general reluctance to answer questions, and uncertainty as to the kind of reply which it is politic to make. The registers may

<sup>1</sup> Cited by E. de Wildemann, *Documents sur l'alimentation végétale de l'indigène du Congo Belge* (Brussels, 1934), p. 211, from G. Hardy et Ch. Richet fils, *L'Alimentation indigène dans les colonies françaises* (Paris, 1933).

at the same time serve as taxation and militia rolls, and evasion of registration has its advantages. The officer making the census does not wish to under-estimate and thus to incur inquiries into an apparently unsatisfactory situation. One example of the difficulty of drawing conclusions in tropical Africa may be given. Before 1910 the population in Belgian Congo was estimated at  $15\frac{1}{2}$  millions. The estimate was based on the number of taxable males, with an addition of from 20 to 50 per cent. for absentees. An enumeration of the inhabitants in each chiefdom in 1927 gave a figure of 5,975,461. In theory there is an official record for every native, derived from local registers; in fact, says M. Pierre Ryckmans, 'we only have an approximate enumeration'. In 1929 the number of registered males was 2,742,737, which, on the basis of detailed investigations in certain districts, would lead to an estimate of about 10 million persons. The total enumerated population was 8,674,086, and the estimate for those not registered 875,546.<sup>1</sup> In more primitive countries such as New Guinea only a part of the country is explored, not all the explored country is under administrative control, and it is only for the controlled areas that estimates of any value can be made.

For some older colonial countries more information is available. There are figures of population by age-groups for Algeria, Mauritius, Tunis, Puerto Rico, Malaya, Palestine and Hawaii. The rate of natural increase, as measured by quinquennial averages, appears to be rising in Jamaica, Puerto Rico, Ceylon, Cyprus, Formosa, Malaya, Palestine and the Philippines; Hawaii shows a diminishing rate of increase.<sup>2</sup> Some of the results are so uneven as to suggest either varying degrees of accuracy at different dates or some special disturbing factor. The jump in the Straits Settlements and the Federated Malay States in the last two quinquennial periods, from 6.8 and 5.4 per 1,000 to 15 per 1,000 in both cases, is said to be due to the arrival of Chinese wives of recruited labourers, who were formerly not allowed to leave China. Major P. Granville Edge has collected the vital statistics available for British colonies. They are admittedly

<sup>1</sup> See P. Ryckmans, 'Démographie Congolaise' (in *Africa*, vol. vi, no. 3, July 1933). For census deficiencies in Africa generally see Robert R. Kuczynski, *Population Movements* (Oxford University Press, 1936); Edwin W. Smith, 'What do we know of Africa?', Presidential Address of the Royal Anthropological Institute, *Journal*, vol. lxy, Jan.-June 1935; for comment on the difficulties involved in Nigeria see Margery Perham, in *Africa*, vol. vi, pp. 427-8; and Major P. Granville Edge, 'The Demography of British Colonial Possessions', *Journal of the Royal Statistical Society*, vol. c, pt. ii, 1937; also the *Report of the last Nigerian Census*.

<sup>2</sup> See the figures given in the League of Nations *Statistical Year-Book*, where the necessary reservations are noted.



defective. There is better information on the number of deaths than on births, since concealment of a death may lead to judicial proceedings. In the case of births, registration is deficient for many reasons; in some backward countries, for instance, there is a taboo against the mention of the eldest child. Infant mortality rates are generally available only for limited areas in which special inquiries have been carried out. Nevertheless, Major Edge has constructed a table of vital statistics which provides many useful indications, even though exactitude is impossible.<sup>1</sup>

The urgency of securing better information is stressed by colonial officials<sup>2</sup> both for ordinary administrative purposes and for the estimation of productive capacity. Knowledge of the demographic movement is vital to decisions on the desirable rate of development. If population is increasing it is perhaps safe to conclude that too great a strain is not being put on human resources; if it is not increasing there is *prima facie* evidence that a slower pace is desirable.

### ii. *Sparse Populations*

The creation of an adequate system of communications is essential in primitive countries if the heavy and wasteful expenditure of human energy on portage is to be avoided, but its construction makes heavy demands on the people. Possibly there may be justification for imposing the necessary strain on one generation to prevent the continuance of conditions under which whole areas are poverty-stricken because they are inaccessible. French Equatorial Africa faces this difficulty. Much has been written of the loss of life in the early stages of development in that thinly populated country, and it is now realized that conservation of the race should have been the primary interest. It is admitted that it would have been wiser not to put the natives to work until medical and sanitary science had provided

<sup>1</sup> The data are for the year 1934, and should be consulted by students.

<sup>2</sup> The absence of complete and reliable census statistics embarrasses administrative action. Unless the exact number of persons liable to tax is known the contributions demanded from a village, or (when the chief undertakes collection) a larger unit, may be in excess of or less than the correct figure. 'Administrative action is necessarily haphazard,' says M. Brevié, Governor-General of French West Africa (*Y.B.C.C.D.*, 1933, vol. ii, p. 409), 'without exact knowledge of the population, its density, composition, health, and its economic and taxable capacity. It is only with the help of statistical material, regularly kept up to date, that the economy of a colony and its psychological condition can be understood.'

'It is, therefore, indispensable to resume the censuses of population and of productive capacity, neglected for the moment, and it seems to me that these should be organized on a new method. . . . Census-taking should be assured by a staff of European agents under the direction of a central department.'

means of stopping the heavy mortality.<sup>1</sup> On the other hand, effective health measures demand means of communication, and the metropolitan Power was not prepared for the large expenditure required. Resources had to be found within the colony, although timber work, the collection of forest produce and road-making were too great a strain on a weak population. Similar questions arise, if less acutely, in other parts of Africa and especially where the prevalence of fly prevents animal transport.

There are few colonial areas which at present have populations adequate for all purposes; and fewer still that have anything like the density of European areas, though Java, parts of Indo-China, Straits Settlements, Korea, Formosa, the West Indies and small areas in other parts of the world present exceptions. Many colonial areas, however, depend partly on imported labour. Colonies which are exporters of labour need not themselves be thickly populated; the poverty that drives labour afield may be due to insufficient resources, to insufficient use of the resources available or to excessive alienation of these to non-natives and corporations. Neither are colonies which import labour necessarily thinly populated; their inhabitants may have resources enough to enable them to live their own life contentedly and make them reluctant to do regular work for wages.

Colonial areas in general are thinly populated. The following areas have a density of less than 10 per square mile: British Somaliland, Cyprus, Bechuanaland, Northern Rhodesia, Southern Rhodesia, Anglo-Egyptian Sudan, French Equatorial Africa, French West Africa, Southern Algeria, French Somaliland, Libya, Italian Somaliland, Angola, South West Africa (1.1), French Togoland, the three Guianas, British Honduras, Sarawak and a number of the Pacific islands. Even allowing for desert areas the figures are very low. Belgian Congo, rich in resources, has a density of just over 10 per square mile; French Equatorial Africa, also rich in many districts, between 3 and 4 per square mile. The average density over the whole of the British Colonial Empire is about 30 per square mile, and this relative emptiness has an important political bearing, since it is argued by non-colonial Powers that opportunities are not being fully used.

Crude density figures require correction by local conditions. For instance, a population map of Tanganyika, printed with the official report for 1935, shows great irregularity of distribution. An introductory note points out that the existence of a permanent supply of water for domestic purposes is of paramount importance in a semi-

<sup>1</sup> See M. Paul Reynaud, reporting on the colonial budget, Chamber of Deputies, Session of June 28th, 1935.

arid country; soil fertility and topography are secondary considerations. Further, there is a definite correlation between fly (tsetse) population and human population in a Bantu society of cattle-breeding farmers, and the opinion expressed is that an increasing or stationary population, dense enough to keep the bush down, will oust the fly. Where this pressure relaxes the fly wins.

Densities in Malaya vary widely. In the Malay States there are areas densely populated, areas covered by rubber estates with a small population, and mountainous forest-clad central ranges inhabited only by some 20,000 aborigines. With a view to future needs, most of the States have 10 or more per cent. of their areas constituted as forest reserves, Johore, for example, reserving 15.4 per cent. of a State the size of Wales. The small populations of British Guiana and British Honduras are for the most part established on the coast, on the fringe of the tropical forest. In Africa waterless desert areas account for considerable almost unpopulated areas. Apart from desert areas proper there are districts which have been denuded of fertility and which may not recover within half a century, even if every resource of soil, science and engineering is used.

When every allowance is made for possible economies in labour operation and in transport it is likely that for many years to come, over large parts of Africa and Oceania, agriculture and mining and other industries will make greater demands than can be met locally without serious injury to village life. In sparsely peopled tropical areas, the first need is therefore to build up human resources, without which material resources cannot be developed. To this end the causes of bad physique and heavy mortality must be sought out.

### iii. *Causes of Low Rates of Increase*

Colonial areas are mainly in tropical and subtropical zones, where the conditions of human life differ so greatly from those in Europe that comparisons are of little use. The enemies of life are more numerous and more dangerous, and the people are ill fitted to combat them, because of widespread inadequacy of diets. These are generally, though not always, sufficient in quantity, but deficient in nutritive content. Malnutrition, combined with bad housing and no proper arrangement for the disposal of refuse, makes the people susceptible to diseases prevalent in tropical countries. Malaria, helminthic diseases, venereal disease and yaws, sleeping-sickness, leprosy, tropical ulcers, beri-beri, pneumonia and various intestinal diseases, as well as periodic epidemics, all take their toll of human life and weaken those who survive. As the knowledge of preventive medicine is

applied in tropical countries, and as the general standard of education advances, conditions improve;<sup>1</sup> but much work remains to be done. The Director of Sanitary Services in Kenya, writing in 1930,<sup>2</sup> said that in Kenya almost every African native was infested with some type of intestinal worm; a large proportion suffered at one time or another from malaria; over large areas plague and yaws were endemic, in some districts syphilis seemed to be increasing; and respiratory diseases cost many lives. Taking British colonial areas as a whole, Major Edge<sup>3</sup> estimates that of the cases treated in 1934 (and these cases do not represent the full incidence of disease, since only a small proportion are treated and some reports do not include out-patients), malaria accounted for 3 million cases, helminthic disease for a million, yaws a million, venereal disease 450,000, dysentery, sleeping-sickness and tuberculosis for their thousands. In Asiatic countries malaria accounted for nearly a third of the recorded sickness. Malaria is 'the curse of the tropics', and an epidemic of it in Ceylon in 1934 cost 80,000 lives in eight months. In some colonial areas it is estimated that two-thirds of the population suffer from it, with a consequent lowering of physical resistance. The incidence of malaria is almost certainly under-estimated in tropical Africa; in some areas where special investigations have been carried out the proportion of infected persons has been found to be very high.

Some reliable data on infant mortality rates are available for limited areas where special inquiries have been made by infant welfare and other organizations, and general registration figures, however defective owing to administrative difficulties, are available for most British colonial areas. An investigation in Kavirondo in 1922 showed an infant mortality rate of 400 per 1,000, and a similar figure for the native reserves of Kenya as a whole, based on limited inquiries, is cited by Orr and Gilks.<sup>4</sup>

In Lagos the infantile mortality rate declined from 450 per 1,000 in the period 1898-1900 to 130 per 1,000 in the census figures for 1931. The Medical Census gives rather erratic figures for Southern Nigeria. Dr. Turner suggests a general rate of about 300 per 1,000 for the whole country. The census shows a very unhealthy condition of the peoples in the Cameroons forest area. Although not all diseases could be observed, only 7.4 per cent. (and those the youngest children) had no disease. Ninety-one per cent. had infectious or

<sup>1</sup> See Chapter XI, section i, for the measures adopted.

<sup>2</sup> Col. 65 of 1931, p. 19.

<sup>3</sup> See *Papers relating to the Health and Progress of Native Populations*, loc. cit.

<sup>4</sup> *Physique and Health of Two African Tribes* (1931), p. 19.

epidemic disease. These people are poorly nourished and they have the lowest rate for fertility and the highest for sterility in the whole census area.<sup>1</sup> Major Granville Edge states that in Nyasaland an intensive survey of native life was carried out in the Fort Manning District, and in that limited area the infant mortality rate was returned as 154·6 per 1,000 births; the experiment is to be extended to other districts in the Protectorate among people differing in tribal habits, customs and geographical situation. For 411 villages in Northern Rhodesia, the infant mortality rate was stated to be 178 per 1,000 births; in Swaziland, records maintained at the Bremersdorp Welfare Centre return a rate of 265 per 1,000 births, while in Uganda—where successful registration work has been accomplished—the rate in the Northern Province reaches the high figure of 356·5 per 1,000, falling to 72·1 in Entebbe, Buganda.<sup>2</sup>

Under-population in colonial countries cannot be ascribed to any one preventible cause. Social custom and adherence to harmful traditional practices account for some part of it,<sup>3</sup> ignorance for much more, endemic tropical diseases are the greatest single factor, and in many African areas the great susceptibility of the population to disease is probably largely attributable to malnutrition. Insufficiency of food supplies may be due to various circumstances: to insufficient land for cultivation on traditional lines, to deprivation of some of the sources of food—game and forest products—no longer available for tribal use in the general curtailment of tribal lands, sometimes to undue attention to export crops at the expense of food supplies; but in the main to wasteful systems of farming and the maintenance of live-stock for non-economic purposes.

There may be also psychological forces making against race-survival, and in some areas contact with white civilization has accelerated existing tendencies towards decline. Colonial observers note that, unless active administrative measures prevent it, old races begin to lose their vitality under foreign contacts. This happens also to nomads and hunters compelled to adopt settled agricultural conditions. They may die out unless the young generation are taught to adapt themselves to the needs of the new environment. With some exceptions, native populations in the Pacific area have shown insufficient vitality or desire for work. The Pacific islands have a disastrous history. The decline had begun before contact with white

<sup>1</sup> Margery Perham, 'The Census of Nigeria', in *Africa*, vol. vi, no. 4, Oct. 1933.

<sup>2</sup> Granville Edge, loc. cit. The author gives a table showing the estimated rates for most British Colonies.

<sup>3</sup> See Col. no. 65 of 1931.

civilization became effective. Cannibalism, infanticide and many other harmful and superstitious practices were weakening the Pacific races long before the white adventurers who were the pioneers of Europe in the Pacific introduced new disruptive elements. After the advent of white traders, depopulation assumed proportions which are only now beginning to be arrested by wiser and more far-seeing methods of administration. Since the Commission on Fijian Depopulation reported in 1893 there have been many studies by anthropologists and other scientific observers on the causes of the racial decline. Mr. S. H. Roberts sums them up under three headings which are interrelated and to some extent overlap:<sup>1</sup>

1. changed ways of life and thought, including the use of fire-arms and drink, and the breaking down of religions ;
2. psychological inertia or despair, engendered by the foregoing ;
3. physical weakness and the prevalence of disease, notably of tuberculosis.

The remedies sought by modern administrations are to provide new interests to take the place of those destroyed, by inducing the islanders to cultivate the land, and by giving them some interest in the management of their local affairs ; by providing hygienic instruction, better nutrition and medical care to prevent the spread of disease and to strengthen individual resistance. There have been exceptions to the decline ; Samoa and Tonga have shown high rates of increase, and since 1918, when there was a set-back due to a severe influenza outbreak, Fiji has been on the up-grade. The incomplete evidence available seems to show that with the exception of certain groups of islands<sup>2</sup> (the New Hebrides, the Solomons, and the Marquesas) a new spirit of resistance has been engendered, and that the tendency to decline has been stemmed.<sup>3</sup>

In the general colonial demographic position there are, however, important factors making for improvement. Most of the detrimental

<sup>1</sup> *Population Problems of the Pacific* (London, 1927), p. 65.

<sup>2</sup> Mr. T. H. Harrison in an article on 'The New Hebrides People and Culture' (*The Geographical Journal*, Oct. 1936, vol. lxxxviii, no. 4) estimates that 150 years ago there were not less than a million people in the New Hebrides ; there are now only about 45,000. Under the Condominium it is difficult to formulate a general policy. Mr. Harrison thinks the natives should be disarmed, vigorous medical work started and maintained, the fish *Bambusia* introduced to destroy mosquito larvae, the movements of hill people to the sea controlled, no women allowed to work on plantations and steps taken to protect native culture and native rights in land. In the coastal area the 'missionized' native has become dependent on the sale of his coco-nuts for the necessities of life, even for food, since he has come to depend on imported rice and tinned meat, and with the collapse in the price of coco-nuts is reduced to penury.

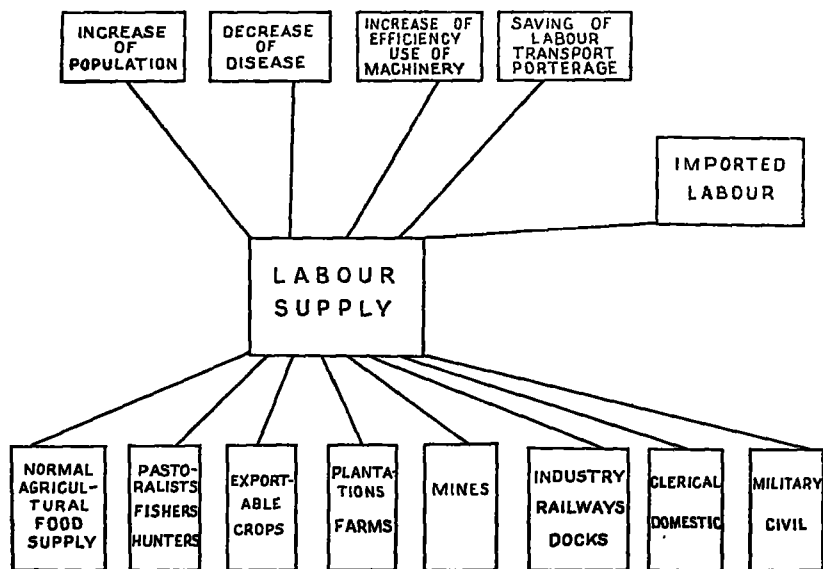
<sup>3</sup> See summary by S. H. Roberts, *op. cit.*, p. 127.

conditions—ignorance, wasteful methods of farming and customs militating against race survival—existed before the colonial era, and to them were added the terrible wastage due to tribal wars and slave raids. Colonial administrations are not perfect, but in addition to safety from violent death they have provided conditions more favourable than those before the colonial conquests. With reasonable care expansion of population should become general. In Africa population is estimated to have increased from 134½ millions in 1913 to about 145 millions in 1935. The rate of increase is considerable, and with the health measures now being taken it should improve.

#### iv. *Labour Supply and Demand*

The 'feeders' of labour supply are increase of population, decrease of disease, increase of efficiency and of labour-saving methods (including the use of machinery in agricultural and other operations, and the development of communications to secure savings in labour and portage) and labour recruited from other territories. The ends to which labour is applied are local food supply (agricultural, pastoral and fishing industries, hunting and gathering wild foods), native production of exportable crops, plantation farming, mining, industries and transport, public works, clerical and domestic work and defence.

The situation is shown graphically by Major Orde Browne<sup>1</sup> as follows:



<sup>1</sup> *Journal of the Royal Society of Arts*, Apr. 7th, 1933, p. 484.

If the reservoir of labour—the general population—is deficient, the first and most important need is to secure demographic readjustment by means of better farming and thus better nutrition, improved education, and social organization in general. Imported labour may be regarded as a last resort.

Since colonial labour is cheap, though, being often inefficient, not so cheap as the low rates of wages suggest, there has not been as much progress as there might be in securing the economies in labour suggested in the diagram above showing the 'feeders' of labour supply. Little progress has been made in providing better tools for native farmers. In Cambodia the provision of better implements for native producers was followed by a great increase in production.<sup>1</sup> In plantation farming the use of good labour-saving implements is not overlooked, but progress would be more rapid if the native could be persuaded to treat the machine with proper respect. This difficulty is most serious in Africa. Malays soon become expert with machinery, and the Chinese labourer is quite good. There is certainly no more difficulty in teaching Asiatics the proper use of expensive machinery than there was in teaching the Russian peasant. The African needs time; but that he can become a capable mechanic is shown by the success with which the Nigerian and Belgian Congo railways are run by native engine-drivers and by native mechanics in the railway workshops.

Increased efficiency and better communications might play a more decisive part than they do in economy of labour supply.

Improved transport facilities, roads, trains, lorries, &c., release men engaged in laborious portage (in which the loads carried should be only about 40 or 50 lb.; 60 lb. is a common African limitation), and reduce production costs, reckoned at the point of marketing. Portage is rapidly decreasing. Plantations are started only where reasonable transport facilities exist, but the native, who must produce something for sale, may have to carry his produce to market, especially in districts where cattle and horses cannot live. Native production for sale shows a marked increase along roads—witness cotton production in Uganda—and the prosperity of native farming depends largely on improved communications.

Moreover, transport to and from work for the native, whether a daily worker, or one under contract for long periods from a distant area, transforms the whole labour position. The nearby wage-earner, using the bus or bicycle, can work without severing his home con-

<sup>1</sup> See E. de Wildemann, *Compte Rendu* of the 1927 Session of the International Colonial Institute (Brussels, 1927), p. 142.



nexions; the worker going two or three hundred miles to mine or plantation by train or lorry avoids the worst dangers of travel, especially where proper rest camps are provided at intervals. Improved facilities for dispatching the crops make it possible to produce a greater variety, and often to cultivate a wider area, than under a portorage system. Portorage is prohibitively expensive except in the transport of commodities with a value high relatively to their weight and bulk.

The demand for labour falls into two divisions, work by and for the native himself, and work for employers. For mining, public works and industrial purposes in general a wage-earning class appears to be necessary; it is necessary also for plantations, though demand here is unlikely to increase as rapidly as in the past. The danger of creating a purely proletarian class for industrial and other purposes is obvious, but it can be mitigated by deliberately maintaining the connexion between the labourer and the land. Fluctuation in the world market for colonial raw materials and foodstuffs will not then mean destitution. During the recent depression, when thousands of Javanese (and many Europeans) were thrown out of work in Netherlands India, the labourers went back to their villages, where, though there was heavy strain on local resources, the returned men still found means of subsistence.<sup>1</sup> The industrialized African may for a time have his place kept open for him in the Reserve, but where he is completely detribalized the position is extraordinarily difficult.

Wage-earning employment is necessary to modern colonial development, but it is not the only, or, perhaps the most important form of labour. The native farmer may and does produce the local food supplies which are the basic requirement for the growth of population and, hence, for any kind of development; and he provides, in an increasing degree, crops for sale in local markets and for export. Encouragement of native farming, with proper provision of marketing facilities, is the first step to creating more prosperous and contented communities.

<sup>1</sup> 'The power of absorption shown by the rural Javanese communes is amazing. . . . The advantages of an early stage of capitalist development which has not given rise to a large proletariat are clearly shown in these regions. The unemployed form only a small percentage of the population and have not lost the habit of working in the fields. Nevertheless, this influx demanded extreme elasticity on the part of the native population, especially because it was directed towards the most thickly populated areas (the principal sources of emigration), which were themselves impoverished by the crisis and had neither reserves nor surplus for their guests.' See Professor J. H. Boeke at the International Colonial Conference at Lisbon, Apr. 1933, *La Crise et les colonies* (Brussels, 1933), p. 69.

At successive international colonial conferences M. de Wildemann has defended with great force a thesis he laid down in 1923: that the development of cultivation by and for the native definitely assists the formation of a more efficient labour force, the stabilization of the native family, the health and consequently the increase of the population. It is significant that his arguments, received at first with some scepticism, obtained increasing support at later meetings. It is a common error to regard the encouragement of native farming and the provision of labour for other purposes as antithetical; they are complementary. In communities which are allowed to stagnate and to be content with a subsistence standard of living there will be no natural incentive to wage-earning. A flourishing and progressive native community, with increasing wants, will find in wage-earning a welcome additional source of income. Moreover, employment under good conditions gives the labourer much useful knowledge and many new ideas, which can be turned to good account in the native village. On the plantation he may learn from the methods employed some things useful for his own garden, though the cultures may be so different, as in the case of sisal, as to be of little direct value; but even when he can eventually grow on his own account the crops he has seen grown in the plantation, students of colonial agriculture are generally agreed that the training supplied in working on an estate is insufficient. The native farmer does best where he has the advantage of model State farms specially run for agricultural instruction, and of the advice of agricultural inspectors with experience of native conditions; estate work is not a substitute for technical education. Village improvements, the maintenance of roads, sanitation and housing, are on the whole advanced where the men have had experience in public works or in industry, though here too technical instruction is still necessary. Above all, habits of regular work are acquired, even in mining, which otherwise teaches little that the labourer can turn to useful account.

Actually, in a world in which neither wage-earning conditions nor village life are perfect, many difficulties arise in the process of colonial development on the triple basis of the growing of food supplies, the production of marketable crops, and wage-labour. Some of the conflicts of interest involved are described in Chapter X below. But there are strong reasons for attaching primary importance to native production for the supply of food, and some brief account of farming and of nutrition is essential to any understanding of the conditions under which development is possible.

## CHAPTER IX

### NATIVE PRODUCTION

Food supplies, dietaries—studies on nutrition—results of malnutrition—primitive farming methods, shifting cultivation—relative advantages of plantation and native farming—improvement of products due to plantation methods and research—rough division between plantation and native crops—West Indian situation—increased peasant production for export—agricultural assistance and advice—M. de Wildemann's theses on peasant production—agricultural instruction.

#### i. Food Supplies

OVER great parts of the world the population must live on local food supplies, and consequently dietaries offer wide contrasts in the basic foods. These staple foods, rice in the Far East, barley in some areas, millets, root crops and maize or bananas in various parts of Africa, may be sufficient in quantity but lacking in some of the requirements of the human body. Everywhere tradition has supplied the necessary 'protective foods' to some extent. The Eskimos live solely on meat, but they consume all parts of the animal—liver, kidneys, brains, glands, blood as well as the meat—and thus secure the necessary vitamins. In Arabia the basic food is sour milk, with the addition of a little barley, dates, &c., a diet which appears to provide all the protective elements. Asiatics living mainly on rice provide the necessary calcium, proteins and vitamins by the addition of cabbage or bamboo shoots, spices and, where these are available, eggs, pork, or fish in small quantities; but where the accessories are in short supply the physical resources of women are severely taxed by childbirth, their milk is poor, and infant mortality high.<sup>1</sup> Conditions are better where ground-nuts or kernels are grown to supplement a cereal diet.

Food crops<sup>2</sup> in Africa vary in different territories, and sometimes

<sup>1</sup> See *The Problem of Nutrition* (League of Nations, 1936), vol. i, pp. 19–20.

<sup>2</sup> A good short summary on the question of native dietaries is given in chap. iv of Sir A. D. Hall's *Improvement of Native Agriculture in Relation to Population and Public Health* (Oxford University Press, 1936). Major G. St J. Orde Browne describes the result of dietetic deficiencies in the *Report on Labour in Tanganyika*, 1926, paras. 162–3, in *Vanishing Tribes of Kenya* (London, Seeley Service, 1925), chap. ix, and in *The African Labourer* (Oxford University Press, 1933), chap. xvi. See also a special inquiry by S. B. Orr and J. L. Gilks, *The Physique and Health of Two African Tribes* (Privy Council), Medical Research Council Studies of Nutrition (London, H.M.S.O., 1931), Special Report Series No. 155. Various inquiries are summarized in *Workers Nutrition and Social Policy*, Studies and Reports, Series B, No. 23 (Geneva, 1936), in a special Nutrition number of *Africa* for the International Institute of African Languages and Cultures, vol. ix, no. 2, Apr. 1936. For a summary

(as in Uganda) within different areas of the same territory. In some places yam and cassava are the staple foods, in others millet or maize, and in other districts, as in parts of Uganda, bananas. In some parts of West Africa ground-nuts provide subsistence, but in Gambia plantation labourers live largely on imported rice. In Sierra Leone rice is becoming the staple food.

Over wide areas in Africa, either because of tsetse-fly, the absence of water or other handicaps, the keeping of stock on any large scale is impossible, and the native is a vegetarian unless he can obtain fish or game. Certain cattle-raising tribes live on meat and milk,<sup>1</sup> but generally the African eats one or two meals a day, consisting of a porridge made from cereals or root vegetables, with the addition of a sauce or relish made from herbs or meat. But, under primitive methods, food supplies may be exhausted before the new crop is harvested. In some parts of Northern Rhodesia the 'hunger period' lasts from one to three months, during which families must subsist on wild produce.<sup>2</sup>

Lack of the protective foods in Africa is often serious; it does not mean starvation, but it may cause certain diseases, and a debility rendering the individual liable to infection and incapable of hard, continuous work. Major Orde Browne<sup>3</sup> cites a Tanganyika tribe who exist although their resources provide a diet theoretically inadequate, but their physique breaks down when they are faced with hard work. Avitaminosis and the scarcity of certain minerals explain many of the social and industrial difficulties of Africa. Throughout Africa, where no meat or fish is available, the native's instinctive search for the missing elements leads him to include insects, vermin and various wild plants with anti-scorbutic properties in the sauce used with the various porridges. Africans show great ingenuity in providing against deficiencies in diet. Where ordinary salt is hard to procure, meagre supplies of calcium salts are prepared from plant tissues, in parts of Rhodesia and Kenya from the ashes of reeds, and in Nigeria from the of these two latter see *International Labour Review*, Sept. 1936, vol. xxxiv, no. 8, pp. 369-76. Other studies are: A. I. Richards, *Hunger and work in a Savage Tribe* (London, Routledge, 1932); M. J. Field, *Food of West African People* (Achimota, 1930); G. Hardy and Ch. Richet fils, *L'Alimentation indigène dans les colonies françaises*; E. de Wildemann, *Documents sur l'alimentation végétale de l'indigène du Congo Belge*.

<sup>1</sup> The official investigation made by Orr and Gilks into the diets of the Masai (meat, milk and blood, with some maize) and the Kikuyu (vegetarian) tribes in Kenya shows that both were badly balanced, and that they had different reactions on the incidence of disease.

<sup>2</sup> J. Merle Davis, *Modern Industry and the African*, p. 41. Cf. also *Africa*, Apr. 1936, p. 183.

<sup>3</sup> Labour Department of Tanganyika, *Annual Report*, 1928, p. 46.

leaves of the baobab tree. An investigation of the food habits in the different areas of the colonies of French West Africa shows a considerable variety in the dietary, in accordance with local supplies and customs. Dr. Cazanove<sup>1</sup> gives details of dietaries in Dakar and its environs and in the interior. The basic food, yam, millet, rice or wheat, is usually accompanied by a 'sauce' of meat, fish, nuts and various condiments often rich in vitamins. Salt is rare and may serve as a medium of exchange; in some places a substitute is obtained from the ashes of palm-leaves and kapok bark. Dr. Cazanove traces a direct relation between the vital statistics of neighbouring villages and their dietary. He notes an increasing preference for rice over other cereals where it can be bought. Not all available food is used. In many parts of Africa chickens and eggs are kept for sale to Europeans but rarely for native food; eggs and some other useful foods are to many tribes 'unclean'; some tribes refuse to eat game, others fish. The suspicion with which new foods were regarded is breaking down where men go out to work in mines or other undertakings (where food is different) and bring new notions to the village on their return.

When the European partition of Africa took place, the population of the continent as a whole was sparse and was kept down by high mortality, slave raids and tribal wars. Food was obtainable without much effort, and the native did not need to do much work. Colonial development involved the stabilization of tribes, and closed to native hunters and food collectors areas reserved for European enterprise. The changes involving dietary restriction took place just when it was necessary that diet should be improved, since tropical countries could be opened up only by hard, continuous, unaccustomed labour.<sup>2</sup> A diet sufficient for a man working the traditional sixty days a year on his own holding is inadequate for a man building roads and railways, or carrying heavy loads, and the heavy death-rate in the earlier stages of African development would be explicable on this ground alone.

<sup>1</sup> *L'Afrique française*, May, June, July 1936.

<sup>2</sup> The strain is increased when boys are put to hard work at an age earlier than that which would be generally accepted in Europe, because of their apparent early maturity. Father Charles, on the basis of scientific researches carried out in Lower Congo, states (*Compte Rendu* of 1929 Session of the International Colonial Institute (Brussels 1929, p. 79)) that the young African child, owing to a prolonged period of lactation, is often in a better condition than the European, but that, subsequently, bad nutrition, coupled with malaria and other maladies, endanger normal development. In adolescence he is often behind the European, so that to put the working age below the European limit (itself low) means the ruin of any prospect of healthy development in tropical countries and accelerates depopulation, or at all events worsens existing demographic conditions.

The change from relative ease to continuous hard work, often accompanied by a change of diet and of climatic conditions, makes the raw labourers susceptible to various diseases. Some large enterprises recognize the danger, and provide new recruits with special camps, with light work and sometimes special food so that they can accustom themselves gradually to working conditions. The 'laziness' of the African or the 'inertia' of the Melanesian are often exaggerated and are not necessarily incurable.

So far research shows that over large areas Africans are infected with parasites and with malaria. A remedy for the shiftlessness characterizing 'poor whites' in the Union of South Africa and in the Southern States of America has been found in proper treatment for parasites and an adequate diet. African and Eastern races should respond to the same treatment. French experience of colonial soldiers shows how the native responds to good food and living conditions. M. Chevalier records<sup>1</sup> that he had known young Africans and young Annamites in their own countries when they appeared to be unfit for hard work, but when he met them again in France as *tirailleurs* he found them fit, well-built and with a general physique of which they had given no promise in their youth. If one could impose boots, mosquito nets and good square meals upon all Indians, thus going far towards banishing hookworm, malaria and under-feeding, India could become a very different country, writes a scientific correspondent in *The Times*.<sup>2</sup> The same is true for Africans.

Dr. Richet sums up the results of underfeeding as follows: (1) diminution of reproductive vitality, which causes a low birth-rate; (2) considerable infant mortality, and greater frequency of epidemics; (3) increased gravity of all kinds of infections.

The Royal Society are supporting a programme of extensive research on malaria and malnutrition in India, the results of which will supply lessons for colonial areas. For tropical countries as a whole much work is being done by the London School of Tropical Medicine, the Pasteur Institute in Paris and by other institutions. The Conference on Co-ordination of General Medical Research in British East African Territories is promoting studies on nutrition, and a scheme for a general nutritional survey has been laid down in the Union of South Africa. Food supplies in the Congo are being examined at the Tervueren laboratory, and studies are being made in French Africa. In 1932 the Academy of Medicine in Paris was

<sup>1</sup> *Compte Rendu* of the 1929 Session of the International Colonial Institute (Brussels, 1929, p. 81).

<sup>2</sup> Aug. 14th, 1936.

requested by the Society of Commercial Geography to 'study the problem of the habitual nutrition of natives in its relation to demographic development of populations in the Colonies' and to stimulate 'the study of the supply of inorganic substances, as salt and vitamins, in the principal diets, and notably of certain elements specially resorted to in certain colonies'. In Malaya the medical and education authorities are collaborating on nutrition questions.

A series of resolutions on measures to counteract malnutrition and under-nutrition, by the extension of food crops and the improvement of fishing and cattle-raising, were presented by Dr. Roubaud and Dr. Calmette to the Academy of Colonial Sciences in Paris, in 1925.<sup>1</sup> In the same year M. Daladier, then Minister for the Colonies, issued a circular on these lines to the colonial authorities, stressing the importance of systematic work in colonial laboratories on the analysis of foodstuffs, to enable the administration to give guidance to native populations on desirable crops, and to endeavour gradually to introduce into the native dietary the missing elements (iron, calcium, vitamins, &c.). He suggested that these might be supplied by the addition of necessary elements to the salt and sugar of local commerce, as is done for cooking-salt in certain countries where goitre is endemic. The main measure for improving colonial nutrition must be the improvement of food crops, fishing and cattle-raising. The British Colonial Office circulated a dispatch (April 18th 1936) to colonial governments drawing attention to the importance of nutrition in public health, and dealing with cognate questions of policy affecting nutrition. The dispatch draws special attention to adequate supply of locally grown foodstuffs for the provision of a diet considered satisfactory by medical science and urges that it should be given first place in the formulation of agricultural policy. The importance of local food-supplies for general colonial development is a relatively new discovery for administrations as a whole. Some authorities insisted on its importance many years ago.<sup>2</sup> Phenomena like the mortality among the builders of railways in French Africa and, until recently, in the Johannesburg mines opened the eyes of administrators faced with a shortage of labour. With proper regulations and an improvement in rations the mortality in the mines fell. The secret had been discovered much earlier by East Indian planters, who required imported labour and found that

<sup>1</sup> Roubaud, 'Rapport sur la question de l'insuffisance alimentaire des indigènes dans les possessions françaises', *Comptes Rendus, Acad. Sciences Colon.*, vol. iv, 1926, pp. 357-76.

<sup>2</sup> See *Annual Labour Reports, Tanganyika Territory Labour Department, Dar-es-Salaam, 1926 onwards.*

it could not be retained unless good accommodation, adequate food and, in many cases, gardens in which the workers could grow additional foods were provided. The lesson was not learned so early in Africa, but in the last few years great improvements have taken place in Belgian Congo and throughout East Africa. 'Model' plantations in Malaya, in Kenya, in Madagascar and elsewhere find no difficulty in obtaining a stable labour force.

## ii. *Farming Methods*

Primitive tribes subsist on wild fruits, nuts and plants, and by fishing and hunting. This economic system cannot long survive contact with white races intent on developing natural resources. Nomad pastoral tribes, in various stages of civilization, still exist, but wherever their grazing grounds infringe on settled lands conflict is likely, and the boundary between the Desert and the Sown has constantly shifted under pressure from one side or the other. The conflict is still acute in many colonial areas. In parts of Syria and Transjordan, for instance, the Bedouin, deprived, by the establishment of law and order and the extension of communications, of their customary occupations—raiding, the convoy of travellers and camel transport—are extremely reluctant to settle as agriculturists. The Masai supply another instance of the serious difficulty of settlement. In all colonies the wanderings of tribes are being strictly confined within definite limits, except in desert areas (e.g. in parts of South West Africa) unfit for settlement, and in some districts (e.g. Somaliland) where cattle-raising is still the basic industry. Agricultural settlement must be achieved before a dense population can be supported. This stage was reached centuries ago over large areas of eastern and southern Asia, where the main subsistence crop, rice, supports a larger population per unit of area than any other cereal. Colonial administrations in some parts of the East Indies are concerned with finding sufficient land for native producers; in Java the Dutch have bought back large tracts of land<sup>1</sup> for native settlement, and are endeavouring to colonize parts of Sumatra and other 'Outer Islands' from Java. In many Eastern countries the minute size of individual holdings is a main cause of poverty, ancient and highly developed civilizations having created conditions very different from those in Africa to-day.

<sup>1</sup> Land inhabited and cultivated by natives, which had been sold in fee simple to Europeans and Chinese in the period between 1750 and 1815. The owners' income consisted chiefly in taxes levied from the native tenants; the relatively small areas which were converted into plantations in later years, mostly on new forest clearings, were left to the owners.



Throughout tropical Africa there has as yet been no such dense settlement. Agriculture was useless so long as tribal warfare continued, for cultivated land attracted raiders. Only after settled conditions had been established in the Gold Coast did the natives begin to till the soil. The wonder is that they have advanced so far in so short a time. Moreover, tribal conditions and tribal ownership of land have militated against individual effort. Over large areas the African still lives under a communal régime, and the notion of land as a saleable commodity is foreign to his way of thinking. Land for cultivation is allotted by the chief to the village, and by the village to the individual family, and the allotments are changed when the soil becomes exhausted. The cultivated plot or garden is practically a man's own until the harvest, and the rest of the village land is available for common purposes. Custom does not permit the chief to resume land unless cultivation is abandoned, or badly neglected, but a man has no absolute right and no power of transfer.

So long as land is abundant, the whole village can be moved when the soil is exhausted or unduly invaded by weeds, and the land allowed to revert to bush. A new site is cleared by cutting and burning the bush, a process which provides a fertilizer in the form of ash, cleans the soil for cropping and destroys noxious insects. In districts where a higher degree of settlement has been reached and more elaborate dwellings erected, the village is not moved, but shifting cultivation is still general. A man cultivates only part of his allotment, and plants a new area when the first is exhausted. Since he does not ordinarily root out the stumps, the bush grows again on the deserted area. Shifting cultivation, when it takes the form of the periodical removal of villages to new sites, is a destructive practice. Forest trees are destroyed, and in some areas the bush which grows on the abandoned site becomes fly-infested. In the grass lands where cattle are kept, areas are cropped, especially where goats are numerous, until the soil is bare and ready to be swept away in the dry season by the next dust storm. Live stock are maintained in large numbers as being the measure of importance of a man, still more of a chief. Killing for food is often limited to ceremonial occasions, except by some habitually meat-eating tribes; and cattle are used for payment of the bride price and for meeting social obligations of all kinds. Cattle are used for milking, and even (among the Masai) for regular blood-letting for food purposes. The keeping of non-economic herds in large quantities leads to erosion of the soil and consequent desert conditions. The destructive system of shifting cultivation is to be found in some sparsely inhabited Asiatic areas, but in Africa on a large

scale.<sup>1</sup> European administrations in Africa seek to stabilize, within limits, nomad populations, and to educate agricultural populations to abandon shifting methods of farming.

The details of village economy vary greatly; none can be taken as typical. All stages exist, from the shifting village, with its temporary huts, to the prosperous West African village, where farmers grow crops for the market, employ paid labour, and live in good houses. But in large areas of the less-developed interior tribal or village ownership prevails. Throughout Africa life is closely ordered by religious and social tradition, and any interference rouses great suspicion. Living standards are generally pitifully low, and the surplus of food produced for sale or trade is negligible or nil. The art of manuring, well understood in the East,<sup>2</sup> is neglected. The soil of the cattle kraal is used for fuel, not for fertilizing the garden, and the rich salts available on the ubiquitous ant-hill are unused.<sup>3</sup> Nevertheless, the native follows certain proved traditional methods, which have even survived transportation to the West Indies and are still practised there by negro farmers. The *Report of the Ecological Survey, 1933* (p. 23), published by the Northern Rhodesian Department of Agriculture, speaks of an 'intuitive ecology' of the natives.

'So long as the native is in his traditional environment he is infallible in the choice and use of land for his particular purpose. When he has migrated of his own accord to a fresh environment he is capable of adjusting his methods to it. But when he comes under the influence of European contact his adjustment to the natural environment is lost and many problems of native areas have their origin there.'

An example of the rotation followed in a village in Southern Nigeria illustrates traditional methods.

- 1st year. Bush cleared and burnt in July and late maize planted on the flat in September. Hills for yams made in November and yams planted in same month.
- 2nd year. Early maize planted through the yams in March, cotton plants through the yams and maize in early August, maize harvested late in August. In addition, edible beans and gourds also grown in the cotton.

<sup>1</sup> All the factors tending to create uninhabitable areas in Africa cannot be described here. There is an excellent summary in Sir A. D. Hall, *Improvement of Native Agriculture in relation to Population and Public Health*, pp. 23-9. For an illuminating description of the general effects of wasteful methods in Western Tanganyika see Julian Huxley, *Africa View* (London, Chatto & Windus, 1931), pp. 80-5.

<sup>2</sup> See Sir A. D. Hall's account of Chinese methods of making compost from household refuse and human excreta, loc. cit., p. 19.

<sup>3</sup> Cf. J. Merle Davis, *Modern Industry and the African*, p. 42.

3rd year. Early maize, with cassava planted through it.

4th year. Cassava.

5th year. Reverted to bush.

Deep cultivation took place only in the first year, but weeding and shallow digging frequently.<sup>1</sup>

In parts of Southern Nigeria where the soil is suitable for cocoa, coffee, kola and other export crops a different economy prevails. In the middle region there is a very short rainy season, so that a man must do the work quickly and under conditions in which mixed cropping is not so easy. Farther north again there are large tracts of land very imperfectly developed under feudal ownership. During the period of cultivation, after the bush has been burnt the same crop of millet or maize may be grown, but in some places rotation is practised, in which leguminous plants enrich the soil. Areas of dense population, with their carefully tended gardens, show what can be done.

The plough, common in Islamic Africa, has not been adopted by the Bantu races except under European influence. Fly-ridden regions lack draught-cattle, and the abandonment of the hoe upsets the traditional division of labour between the sexes. Where, however, the Bantu grow crops introduced by Europeans, they will follow European methods.

For various reasons the cultivable land and the grazing lands of Africa tend to suffer reduction, and the general level of productivity to decline. Districts in Tanganyika which within living memory were open country with a big human and cattle population have reverted to bush and have become the empire of the tsetse-fly. In congested areas such as Basutoland it is difficult to see what solution there is. In all African countries agricultural advisers are fighting against heavy odds for the prevention of lowered soil fertility by the adoption of better and more scientific methods, but more money, more men and more education are required.

Changes in land tenure are bound to modify general conditions. The tendency of British administrations, especially where indirect rule prevails, is to protect communal tenure. Nevertheless, individual ownership tends to increase, especially in non-tribal areas and where permanent crops are grown. The rate at which the change is effected will depend largely on the attitude of the local administration. French administrations, on the other hand, definitely expedite the transition to individual ownership.

<sup>1</sup> O. T. Faulkner and J. R. Mackie, *West African Agriculture* (Cambridge University Press, 1933).

### iii. *The Relative Advantages of Plantations and Native Farming*

At the International Colonial Congresses of 1923, 1927 and 1929 M. de Wildemann advocated the encouragement and enhancement of native production, suggesting that some of the capital invested in plantations might usefully be diverted to processing industries. Explaining his position in 1929, he said that though he advocated placing in the hands of natives the greatest possible share of agricultural production, whether of food or industrial crops, no one would wish to oppose the grant of concessions to non-natives for intensive and rationalized cultivation, provided that they were not likely to injure the general economic system of the country.<sup>1</sup> Though there is a strong case for the encouragement of native production and for care that the plantation does not encroach on land required for the indigenous population, who should, in justice, have the first claim, there is also much to be said on behalf of the plantation system, kept within proper limits. The production of tropical products could hardly have achieved the high standard actually reached without the capital, the science and the skill available under the plantation system.<sup>2</sup> These standards have raised the whole level of production by settlers and by natives. The conspicuous achievements of Java cane-sugar producers under this system have set a standard which has compelled producers elsewhere to improve their methods or to leave the market. The extensive research necessary was assisted by the Dutch Government, but the planters' associations subscribed large funds.<sup>3</sup> Similarly the Dutch cinchona plantations set a new standard and ensured abundant supplies of quinine. Both the tea

<sup>1</sup> See Introduction, p. xi, to *Extension intensive et rationnelle des cultures indigènes* (International Colonial Institute, Brussels, 1929).

<sup>2</sup> The word 'plantation' conveys in common use the notion of large areas. It is here used to cover all undertakings financed by foreign or native capital and employing native or imported labour, whether the area is small or large. There is a clear distinction between the family farm, worked by the owner or tenant and his family, and the farm or estate dependent on exploitation by wage-paid labour. In some countries, as in Uganda and north-west Tanganyika, plantations are largely in the hands of native owners; native ownership is practically universal in the West African cocoa industry.

<sup>3</sup> The original research stations were all or nearly all created by the Government; during the second half of the nineteenth century organizations of plantation owners took over the research work for their special crops, but governmental research was continued for native crops and new products. The application of the results is of course different in the case of plantations and of small native farmers; but sometimes, as in the case of rubber, essentials of the native system are to a certain extent imitated on the plantations. The comparative economics of plantation and native farming are still very controversial ground. (Note by a correspondent to the Study Group.)

and the coffee industries (Chinese tea production excepted) owed their initial success to European planters.

The collection of wild rubber at the end of the nineteenth century in central Africa and South America was one of the scandals of colonial history. The system of reliance on the collection of wild forest products was superseded by the development of the plantation system in Malaya and Netherlands India at the beginning of the present century, and what is left of it in equatorial Africa for palm-kernels and other products will not survive indefinitely. The planters produced a standardized product which ousted wild rubber from the market. In a relatively short space of time the example of white planters and the experience gained enabled native planters to enter the field. Native rubber production, made possible in the first instance by the development of the plantation industry, is increasingly important in Netherlands India, where the basic allowance under the restriction scheme had to be increased in 1935 to enlarge the quotas for native areas.<sup>1</sup>

Though for general purposes a distinction between export crops and crops for local consumption is convenient, any hard-and-fast line is misleading. In Kenya maize is at once a plantation export crop and the staple native foodstuff. There is a fairly general division between European and native-grown export crops. Cotton is a native crop, which could not be grown by the European in competition with the native, since it needs very little capital and organization. Sisal is essentially a crop requiring large capital<sup>2</sup> and expert supervision and management, and has remained in European hands. In the colonial world as a whole the plantation system still has a large preponderance of certain main crops, tea, sugar, coffee and rubber, though for the two last named this supremacy is being challenged. Even in Netherlands India, where the plantation industry is conducted on highly scientific lines, native production in 1931 accounted for 19 per cent. of exports of agricultural and forest produce from Java,

<sup>1</sup> 'Doubts were being expressed whether rubber would have eventually to be a capitalist industry at all. If the destiny of the rubber industry was to "go native", this process might actually be hastened by the restriction scheme . . .' (H. V. Hodson in *Survey of International Affairs, 1935*, vol. i, p. 359).

<sup>2</sup> The starting of a sisal plantation in East Africa may be estimated to require £2,000 to £2,500, and an additional sum of £7,500 to £20,000 for the purchase of machinery. In ten daily working hours an output of 3½ to 4 tons of sisal can be attained on a medium-sized estate. A large sisal estate near Kilosa has 2,400 hectares under sisal, 800 hectares under cotton, and 800 hectares under maize (for feeding the labourers). In 1929-30 the estate produced 800 tons of sisal, 300 tons of cotton, and 600 tons of maize. It employed 600 to 1,000 labourers, many of them without a contract. (Thurnwald, *Black and White in Africa*, p. 117.)

and for 50 per cent. of exports from the Outer Islands. For the whole country native production provided 32 per cent. of exports.<sup>1</sup> But the line between plantation and native production in Netherlands India is not so clearly defined, since much native production is on advanced lines and on a capitalist basis. Many native farmers, both large and small, and both in Java and the Outer Islands, have some sort of capital account, generally in the shape of debts for advances on crops or on some sort of mortgage.

In Africa, where native farming is less advanced than in Eastern countries, conflict of interests arises when the native producer comes into competition with the European. In Kenya there is strong opposition to coffee-growing by the African on the grounds that native carelessness may produce pests which will spread to European plantations, that inferior production may lead to deterioration of the market for Kenya coffee,<sup>2</sup> and that theft becomes common. In Tanganyika, where coffee-growing by the natives is well organized, protests have been addressed to the Governor against the growing of *arabica* coffee by Africans.<sup>3</sup>

In Belgian Congo planters have protested against State organization of large coffee plantations to be handed over to Africans; they insist on the necessity of skilled handling of this particular crop. Planters in Ruanda-Urundi also fear the competition of native-grown coffee.<sup>4</sup> Belgian experts suggest that the dangers of pests, of depreciation of the product and of theft only exist when native and European agriculture are carried on in the same area. Some prescribe simple measures of prevention and surveillance; others recommend the delimitation of areas for native cultivation and European enter-

<sup>1</sup> *Landbouwenportgewassen van Nederlandsch-Indië in 1931*, no. 104, Sept., 1932, cited by O. Louwers, *Notre politique coloniale* (Brussels, n.d.).

<sup>2</sup> See the *Report of the Agricultural Commission*, in Kenya. It may be pointed out that coffee was a plantation crop in Ceylon, where the industry was practically destroyed in the 'eighties by the attacks of leaf-fungus. Even plantation crops are not invulnerable.

<sup>3</sup> Professor Julian Huxley states that 'There were, in 1929, over 12,000 native coffee-growers in Kilimanjaro, and about 200 white planters. The number of native planters was less than 600 in 1922, 8,000 in 1926; and the number of coffee-trees grown by them has risen from 180,000 in 1922 to 2,500,000 in 1929. In 1923 there was organized the Kilimanjaro Native Planters' Association, which includes over ninety per cent. of the native growers in the region, and helps production by co-operative storage and marketing, and by disseminating advice. Another province of Tanganyika, Bukoba, where *robusta* is chiefly grown, in 1925 accounted for more than one-quarter of the total weight and nearly one-quarter of the total value of coffee exported from Tanganyika, Kenya, and Uganda together.' (*Africa View*, p. 56.)

<sup>4</sup> *La Situation économique du Congo* (Brussels, 1935, submitted to the 4th Session of the Congrès Colonial Belge), p. 108.

prises. In fact, uniform quality can be and has been secured by the supervision of seed and other measures. Governments have secured standard quality for Uganda, Sudan and Nyasaland cotton, and for Senegal ground-nuts, all of them peasant crops.

In older settled countries, where the contact with white civilization dates back many centuries, conditions are different from those of tropical Africa. Both in Ceylon and in the West Indies official efforts have been made to restore a better balance between plantation and small-holdings. In the West Indies the question of plantation *v.* peasant production is hotly argued. The West Indies were originally plantation colonies, the plantations being worked by slave labour. Emancipation changed the labourer from a slave to a wage-earner<sup>1</sup> and at the same time relieved the planters from responsibility for his welfare. In some islands the plantation system predominates; in others peasant production. Encouragement of proprietorship was pressed by the West Indian Commission of 1897 and by Lord Olivier during his governorship of Jamaica. The Olivier West India Sugar Commission<sup>2</sup> expressed the opinion that, while schemes of land settlement could not relieve emergency conditions arising out of the plight of the sugar industry, the increased settlement of labourers on the land as peasant proprietors practising mixed farming, aided by a good credit and marketing system, offered the best prospect of establishing a stable and prosperous economy. They regretted the delay in carrying out these recommendations of the 1897 Commission.

In Jamaica there are said to be about 200,000 peasant plots and small-holdings, many created by the sale of Crown lands on the instalment system and by the splitting up of estates for settlement schemes.<sup>3</sup> The small-holders grow food for their own and local use, and, in addition, bananas, citrus fruits, pimento, &c. They live on their holdings, many of them on the mountain-side and not in villages. Sugar and tobacco are mainly, though not entirely, plantation crops. Bananas are also produced on large estates. Sugar is mainly a plantation crop in St. Kitts, Antigua; in Trinidad and Tobago about half plantation, and half peasant production, the industry being mainly controlled by large companies which buy cane from estates and farmers and in some cases lease land for sugar-growing. In Montserrat, where sea-island cotton is the main crop,

<sup>1</sup> In M. Delaisi's biting phrase, 'Quoiqu'il en soit l'indigène se trouva promu du rang d'esclave à la dignité du prolétaire'. (*Les Deux Europes*, (Paris, Payot, 1929), p. 96.)

<sup>2</sup> *West Indian Sugar Commission Report*, Cmd. 3517 of 1930, p. 26.

<sup>3</sup> Report by F. A. Stockdale on a visit to the West Indies in 1932, Colonial Office, Sept. 1932.

94 per cent. of alienated land is in peasant hands. In Saint Vincent, where arrowroot is the staple crop, about four-fifths of the total production is from plantations.<sup>1</sup> Barbados<sup>2</sup> is a typical plantation island, Jamaica mainly a peasant land. Peasant production of commodities suitable for the world market has been extended by improved agricultural services, for which the West Indies are indebted to the Imperial College of Tropical Agriculture at Trinidad. Professor W. M. Macmillan maintains that 'the interests of employers leave a limited range for trying out the fuller possibilities of peasant proprietorship, which has at last come to be the avowed aim of the Island Governments'.<sup>3</sup> He thinks an investigation is required into the conditions on which métayage is practised, especially in cotton and sugar; the Olivier Commission went farther and asked for the replacement of share-farming by freehold tenure.

Important in the West Indies is the development of powerful outside companies like the United Fruit Company, organized to sell West Indian produce on world markets and exercising considerable control over estates through mortgages, and over small farmers by insisting on a standard grade of production.

Small-holdings are being developed in St. Vincent, Antigua, Dominica and Nevis. Success varies not only according to the fertility of the soil but with the organization of credit and marketing.<sup>4</sup> In considering the success of the rice-settlement schemes in British Guiana it is necessary to remember that they inherited the irrigation work provided for derelict sugar areas.

There is much controversy on the wisdom of pushing the small-holdings policy still farther in the West Indies. Many small-holders find themselves in difficulties. Their organization has to be very efficient to compete with big producers. Sir Frank Stockdale, in the concluding passage of his report, recommends more mixed farming, including meat and dairy products, for local consumption.

<sup>1</sup> For further details see *Economic Survey of the British Empire for 1933*. Col. 109 (H.M.S.O., 1935), pp. 351-416.

<sup>2</sup> In Barbados about 15,000 acres of land are now occupied by peasant farmers and estate labourers renting small plots. The small farmers, many of whom bought their land at high prices immediately after the War, are hampered by debt. Only those on good land are reported to be doing well. (See Stockdale, *op. cit.*, p. 88.)

<sup>3</sup> W. M. Macmillan, *Warning from the West Indies* (London, Faber, 1936), p. 161.

<sup>4</sup> For details see F. A. Stockdale, *op. cit.*, p. 93; and for each colony under the heading 'agriculture' in the *Economic Survey of the Colonial Empire* (H.M.S.O.), Cmd. 126 of 1937.



The scattered colonies need to view the question as a whole and to decide what each can contribute to the common good.

Taking the colonial world as a whole the balance appears to be changing in the direction of greater reliance on peasant production. A recent writer on colonial production asserts that 'the establishment of the cultivation of revenue crops by large numbers of peasants is as much a political characteristic of twentieth-century policy as the establishment of the plantation system was of seventeenth-century policy'.<sup>1</sup>

In British West Africa, where soil and climate favour certain crops, notably cocoa, a large export trade has been built up without the assistance of foreign planters. These countries are not suited for white settlement, and the authorities have discouraged plantations and, in Nigeria, have practically prohibited alienation, with the idea of relying on peasant production for export as well as for home consumption. The results are astonishing.<sup>2</sup> Prosperity has been achieved, to use Lord Lugard's words, by the native working 'in his own time, in his own way, for his own profit with the assistance of his family'.

The classic statement made by Sir Hugh Clifford in an address to the Nigerian Council in 1920 embodies the principle adopted in the British territories and, to an increasing extent, in French territories in these regions. He said:

'Agricultural interests in tropical countries which are mainly or exclusively in the hands of the native peasantry have, firstly, a firmer root than similar enterprises when owned and managed by Europeans, because they are natural growths and not artificial creations and are self-supporting as regards labour, while European plantations can only be maintained by some system of organized immigration or by some form of compulsory labour; secondly, they are incomparably the cheapest instrument for the production of agricultural produce on a larger scale that has yet been devised; and thirdly, are capable of a rapidity of expansion and a progressive increase of output that beggar every record of the past, and are altogether unparalleled in all the long history of European agricultural enterprise in the tropics.'<sup>3</sup>

The prosperity of British West Africa, based on native production and native wealth, has had some influence on policy in neighbouring

<sup>1</sup> I. C. Greaves, *Modern Production among Backward Peoples* (London, Allen & Unwin, 1935), p. 84.

<sup>2</sup> Exports of cocoa from Gold Coast rose from 53,000 tons in 1914 to 285,351 tons in 1935-6, although it is grown by African farmers in small family patches; in Nigeria cocoa exports rose from 2,200 tons in 1911 to 88,140 tons in 1935. Palm-kernels and palm-oil from Nigeria show results only less spectacular.

<sup>3</sup> *Minutes of the Proceedings of the Nigerian Legislative Council*, Royal Empire Society, 1920.

territories. But development of this kind is possible only where there are a relatively advanced and numerous native population and a suitable soil and climate. It is by no means certain that the same policy would have had equal success in East Africa. The non-settlement policy has (perhaps largely by accident) dominated northern Nyasaland, where even recruiting for labour has been prohibited. Owing to the lack of a paying crop, the country has languished tragically; so that Government, missionaries and natives now express hopes that some way of encouraging European settlement will be found. High costs of transport to the coast or to the Union and tariff restrictions in the Union market are obstacles to agricultural production for export.

In French West Africa the poor quality of the soil in many areas hinders the development of native farming, and in French Equatorial Africa and in Belgian Congo the situation is complicated by the existence of large concessions, inherited from an earlier régime, mainly forest concessions for the collection of wild products. In Nigeria practically no land is alienated. There has been some alienation in the Gold Coast, but plantations have, in general, not been sufficiently successful to encourage further development. The depression, with the consequent lack of money for buying imported foods, led to an increase in food production for local needs. The ground-nuts grown extensively throughout the country are not exported. Cocoa was once an entirely peasant product, but the increasing demand has led to the employment by native farmers of some wage-paid labour.<sup>1</sup>

The development of peasant production for export in colonial countries is desirable under certain conditions. The native has little opportunity of gauging world production and consumption, and a dangerous situation arises if he is induced to concentrate on a single crop which may be unsaleable either because plantations elsewhere provide the commodity at a price with which he cannot compete, as was the case with the West Indian sugar industry, or because of sudden changes in demand. The dangers of monoculture

<sup>1</sup> Wages, about £10 to £14 a year in 1925-6, fell to a level of £4 to £6 in 1932-3, on account of the depression. In a typical cocoa village (1,000 persons) in West Akim, 185 families produced 5,665 loans (60 lb.) each, in 1932-3. Production per head of farmers (174 male and 194 female) worked out at about £6 5s., less perhaps about 14s. for various charges. The working time was approximately 65 days, the day's work therefore producing about 1s. 7d. The labour expended on cocoa amounts to about one-sixth of the total labour potentiality of the colony. Cotton production in the Northern Territories is increasing, but there is no export, the lint being used locally. (*Annual Colonial Report, Gold Coast, 1934-5*, pp. 420-4.)

have often been stressed and have been clearly put by Mr. Ifor L. Evans:<sup>1</sup>

'In some parts of Africa the native has left his primitive subservience far behind, and depends in very large measure upon an export crop or crops for his very livelihood. The danger becomes obviously all the greater when a country depends upon one crop and one alone. This transition has frequently been effected at breakneck speed. Whatever be the theoretical justification for the old theory of international trade, it seems somewhat dangerous in this world of economic nationalism and currency disorganization to subject primitive peoples too exclusively to the dominance of world factors over which neither they nor their government can possibly exercise any effective control. It is submitted, in other words, that far more attention should be paid to African rural economy as a whole.

'The important question is to relate the new crops to the old subsistence economy, a problem which has received careful attention in Nigeria in the last ten years. In the Sudan investigations have been made into the possibility of introducing cotton into a system of mixed farming as part of the general rotation. By methods of this kind, exclusive reliance on export crops by individual farmers would be avoided, and local resources in food supplies might be made more varied and plentiful, while the farmer and his family would be removed from the extreme danger of price fluctuations in world markets.<sup>2</sup> The practice adopted in Kenya of setting aside tracts of country for white settlement on which crops are grown mainly for export, and of restricting in practice native farmers to the production of crops for local consumption, divides the risk in a different way but does not eliminate it.'

There is a considerable body of evidence that a well-organized system of native farming is better able to stand up in face of crisis conditions than an economy based mainly on plantation agriculture. A correspondent (in a note to the Study Group), writing of Indonesian conditions, concludes that, during a serious and protracted depression, native economy, stiffened by the framework of a well-adapted, modern and resourceful government, exhibits more ele-

<sup>1</sup> See *Compte Rendu of the International Colonial Conference, 1933*, pp. cxxix to clvi.

<sup>2</sup> A correspondent says (in a Note to the Study Group) that in Netherlands India little extra hardship is involved in the case of native production of long-period crops during a depression, which renders the product unsaleable, if plenty of land is available for food production or alternative crops. Otherwise the loss must not be under-rated, even if the native does not think in terms of capital and costs. The native tea planters in West Java, a number of native rubber owners and the owners of coco-nut groves in thickly populated regions had a strenuous time during the periods of slump prices; many of them lost all their holdings. The same is or has been true, to a lesser extent, of the pepper planters in South Sumatra and Bangka, and of native coffee and kapok producers.

ments of stability and resilience than plantation economy as it is organized at present. While the advantages of the plantation system must be acknowledged, the experience of the last ten years in Netherlands India has well demonstrated the social strength of a well-balanced combination between native production and European technical and commercial leadership, research and advice. In projects of this kind some distinction should probably be made between the Malay and the African, although experience in Nigeria provides some data.

Apart from the economic argument there is the equally important moral and social consideration that peasant farming provides a means of livelihood which does not interfere with tribal and social life; it provides a starting-point for the stabilization of nomad and semi-nomad tribes; it permits the development of colonial industries within the cadre of native institutions and avoids the evils of a sudden change of environment, the separation of families and the risks to health and morals of massed labour under alien conditions.

Constant effort is needed if native crops are to stand up permanently against plantation crops. Yields per unit of area are commonly less. An example may be taken from an advanced colonial area, French North Africa. The average return on European estates<sup>1</sup> varies, in a mean year, from 10 quintals (1 quintal = approximately 2 cwt.) a hectare (2½ acres) for soft and 9·2 for hard wheat in Algeria, and 12·5 and 12, respectively, in Morocco (with Tunis coming in between), to 6·5, 5·5 (soft), and 7 or 8 (hard) on the native fields. The quality is also far superior, and some of the important native landowners profit from European methods of selection, manuring, machines, &c.<sup>2</sup>

#### *iv. Agricultural Assistance and Advice*

The encouragement and rationalization of native production by means of instruction and assistance in technical and commercial matters were discussed by the International Colonial Institute in 1923, in 1927 and again in 1929, on the basis of theses presented by M. de Wildemann.<sup>3</sup>

At the Brussels Conference of 1929 M. de Wildemann said:

‘Cultivation by the natives must be improved and intensified and we observe that wherever the study of this question has been pursued,

<sup>1</sup> Surface in the whole of North Africa (European estates) in 1934: 2,178,500 acres; in wheat produce, 16 million quintals. Natives: 7,300,000 acres; produce, 20 million quintals only.

<sup>2</sup> Information supplied by M. Henri Brenier.

<sup>3</sup> ‘Rationalization of Native Agriculture’, International Colonial Conference held at The Hague, June 1927, *Compte Rendu*, pp. 139–83.

the native finding himself in the presence of instructors, takes easily to the practice of rational cultivation and clearly understands the value of the soil upon which he works.

'This intensified and improved cultivation, however, must also be supervised—this is essential. If the colonial Governments will only introduce strict regulations, and if they will apply them as they should be applied, they will succeed in making the natives produce raw materials in large quantities and in excellent quality.

'Uniform international legislation is quite unnecessary, but still we must not lose sight of what has been done in other countries; on the contrary, we might apply in our own colonies such regulations as may have given satisfactory results in other colonies.'

He recommended the creation of specialized scientific institutions, as in the Dutch East Indies. To sum up, he contended that cultivation of all kinds would be better if left to the natives under the supervision of government institutions; and that processing industries should be carried on in factories provided with modern equipment by European capital.<sup>1</sup>

For the 1929 Conference a mass of material was made available in the replies by colonial authorities to a questionnaire<sup>2</sup> on measures taken by the nation to improve agriculture and stock-raising; on land tenure; on technical supervision; on internal markets; on the social and economic results of the policies adopted. The information collected is indispensable to the student.

Too much stress may be laid by certain colonial authorities on production for export. As colonial communities advance there is much to be said for the development of small-scale industry and of a mixed economy providing various kinds of employment. An example may be taken from Northern Nigeria, where cotton is grown in large quantities for the local hand-spinning and weaving industry and there is a quite considerable production for export. When export prices are low the local industry competes directly with the export trade and the price in the local markets rises above that paid by the exporters. In the Northern Provinces the local demand is a safeguard to cotton-growing for, no matter how the world price of cotton falls, this demand always exists and cotton is grown to meet it. Therefore there remains a safe nucleus, and the industry can expand if the world market expands. In two provinces of Southern Nigeria cotton

<sup>1</sup> Debate on a report by M. de Wildemann, International Colonial Conference held at Brussels, June 1929, *Compte Rendu*, pp. 132-7. M. de Wildemann's Memorandum is printed as an Appendix to the *Compte Rendu*.

<sup>2</sup> See International Colonial Institute, *Extension intensive et rationnelle des cultures indigènes. Enquête. Résultats* (Brussels, 1929).

is grown, mainly as a catch crop. A local market provides an element of stability, and Nigerian experience certainly seems to reinforce arguments for a less one-sided colonial development than is commonly pursued. The native peasant farmer is only relatively safe from destructive movements of prices, and from the even more destructive effects of continuous use of the same plot for the same crop, if he practises mixed farming.<sup>1</sup> The education and assistance required are costly and in the early stages often require special financial assistance.<sup>2</sup> Sometimes the natives are pressed by local officers, against their better judgement, under directions from high quarters, to grow cotton and other export crops to assist the trade of the colony. In such cases the position is dangerous, although the African shows extraordinary patience in face of repeated failures. Often Europeans practically impose new crops and new methods, and, if for some reason these fail, distrust of European advice becomes profound. The African will grow new crops and adopt new methods if the advantage is proved. The production of cocoa in the Gold Coast and of ground-nuts in Northern Nigeria show that the native can develop an industry almost unaided, when satisfied that it is sound; the failure of American cotton in Southern Nigeria proves the uselessness of trying to force upon him an unsuitable crop.<sup>3</sup> American cotton was successful only as a sole crop, and planting meant clearing more land, whereas native cotton could be grown in rotation. When the Nigerian farmer was offered an improved native cotton which did not require fresh clearing, he took it up eagerly.

Careful consideration of all the relevant factors is necessary before natives are urged to change their traditional methods and crops, and limited trials should precede general application.<sup>4</sup> The Departmental Instructions of the Nigerian Agricultural Department forbid any recommendation, direct or indirect, for changes in native agriculture which are not based on solid experiment; they provide that no recommendation should be in the form of a general instruction, but should be made (of course with the concurrence of political officers)

<sup>1</sup> Some French administrators have insisted on the necessity of instructing Africans in mixed farming and especially in stock raising, providing as it does food, manure and for a sale of the product in the shape of hides. (M. Auguste Chevalier in the *Dépêche coloniale*, Jan. 16th, 1931, cited by J. Goudal in *Destin de l'Afrique* (Paris, Librairie Valois), p. 86.)

<sup>2</sup> Speaking at the 1927 Session of the International Colonial Institute, M. de la Motte Saint-Pierre referred to the excellent results obtained by the expenditure of money and administrative efforts in native agriculture in Dutch and English colonies. See *Compte Rendu* (Brussels, 1927), p. 161.

<sup>3</sup> Cf. O. T. Faulkner and J. R. Mackie, *West African Agriculture*, p. 7.

<sup>4</sup> Cf. Orde Browne, *The African Labourer*, p. 49.

to selected natives or to selected villages only. If these make a success the example will be followed. General recommendation might then be justified, but would probably be unnecessary. In Nyasaland an agreement made, in 1922, with the British Cotton Growing Corporation to purchase cotton crops at a fixed price from natives led to a great increase in production. A Native Tobacco Board, established in 1926, which approves seed and grades the leaf, has brought native tobacco production up to more than half the total produced in the colony. In Kenya a new system of marketing native crops, involving careful inspection for cleanliness and quality, has been successful in the Native Reserves and is shortly to be applied to the settled areas.

In the Anglo-Egyptian Sudan there are several interesting experiments in peasant production with government participation and assistance. In the Gezireh district the large sums spent on irrigation for cotton-growing might have been thought to excuse expropriation of private property, but the irrigation scheme provided safeguards for native land-rights, all claims being examined before any area was declared government land. The Government took powers to acquire any native-owned land which was needed on a forty years' lease at 2s. an acre, a price above the current rate. Natives could and did take up tenancies in the areas where they had freehold rights. A private company, the Sudan Plantations Syndicate, was then given a concession of about 300,000 acres for ten years, later extended to twenty-five years, on the understanding that it would finance the settlement of peasant cultivators and act as agricultural manager in return for a share in the cotton crop. The land-rights remain with the Government and the freeholder: there is no permanent alienation to the company. Cotton is grown as a crop in a four-year rotation. The acreage is divided into small holdings laid out so that they can be prepared for cultivation by the syndicate's tractors. The Government arrange for the water supply from the Sennar Dam, and take 35 per cent. of the gross yield. The native provides the labour and gets 40 per cent., from which is deducted the actual cost of ginning and marketing; though he has the benefit, free of taxes, of the other crops he may grow. The syndicate supervise the cultivation, ginning and marketing the crop, and take 25 per cent. They arrange cash advances to the tenants, erect buildings, and carry out minor canalization. A smaller company, the Kassala Cotton Company, operates in the same district on the same system.

As compensation to the owners of land along the river who will be displaced by the lake to be formed south of the new Gebel Aulia Dam, the Government have projected in the Gezireh another scheme

slightly different from that of the syndicate in that the tenants will be encouraged to do their own ploughing. Some British inspectors supervise the district with the help of native agriculturalists and the sheikhs, and not directly, as in the Syndicate's area. The scheme is intended to teach the tenant mixed farming, not merely cotton-growing.

The Government plays a similar part in financing and organizing cotton-growing in the Gash Delta and Tokar, both of them flood-districts; and in the Southern Sudan, in the Nuba Mountains, the Upper Nile Province and the Mongalla Province where the people are more backward. Cotton in the latter districts is rain-grown.

The result of the largest share system, that in the Gezireh, appears to be a prosperous peasantry:<sup>1</sup> the growers are under close supervision and have no voice in the disposal of their cotton. Their interests are partially safeguarded by the Government's being directly involved as a beneficiary.

<sup>1</sup> For an argument in favour of a triple partnership, State, landlord and peasant, in the organization of tropical agriculture, see H. Martin Leake, *Land Tenure and Agricultural Production in the Tropics* (Cambridge University Press, 1927).



## CHAPTER X

### LABOUR AND DEVELOPMENT

Transition from subsistence economy to wage-earning—slavery and analogous conditions—forced labour—compulsory cultivation for educative purposes—reasons for delay in ratifying Forced Labour Convention—work for concessions—economic conditions compelling wage-earning, land shortage and taxation—natural economic incentives to work—general principles of encouragement to work—standardization of conditions of labour in advanced colonies—wage-earning conditions in backward countries—wages in Africa—protection of migrant labour—regulation of recruiting—penal sanctions—labour in the Pacific and East Indies—summary of recruiting conditions—planning of labour requirements in Africa.

THE process of colonial development by plantations, by mining, public works and other industries demands a regular supply of wage-earners with a reasonable continuity in the personnel. Ordinarily there is no such class in primitive communities living on the produce of their own gardens in their own tribal lands. It has to be created, and its creation encounters substantial difficulties even where population is fairly dense and the pressure on the means of subsistence considerable; in colonies with sparse populations there is greater difficulty. On the other hand, in many Asiatic countries with a laborious and increasing population, accustomed for generations to wage-earning, the questions at issue are the familiar ones connected with the provision of employment for congested populations. Nor is there a real lack of wage-earners in the West Indies, originally developed by slave labour, where a West Indian civilization has grown up. Slavery has left behind it a disinclination for work on plantations,<sup>1</sup> but there is otherwise willingness to earn the money required for the satisfaction of the wants of an advanced community.

But where a sparse population can secure, with the minimum of human effort, the means of maintaining a stagnant and non-exigent standard of life, as in tropical Africa and the islands of the Pacific, conditions of labour supply are very different. Members of the more primitive communities have few 'wants'. Moreover, where the communal system exists there is little place for individual reward, and any acquisitions resulting from labour may have to be shared with the family or even with the village. These communities have an integrated life of their own, and, where there is enough land and no

<sup>1</sup> A curious legacy of slavery is shown in Surinam, where the plantations employ Asiatic labour. The negroes will not work in plantations, even after generations of emancipation, but they will use the spade and work in the mines, because mining does not for them carry with it the same associations. For the repercussions of the slave-trade on both sides of the Atlantic, see H. A. Wyndham, *The Atlantic and Slavery* (Oxford University Press, 1935).

excessive demand for tribute, they can choose between life on the traditional lines (which means for the male African perhaps sixty days of labour in clearing the land and doing village work, with the rest of his time available for light work, the making of tools, village politics and social duties or other occupations), and a more strenuous life within or without the village in the growing of crops for sale or work for the foreign employer.<sup>1</sup>

The white administrator is apt to assume that the native mind works as his own does in economic matters: it may or it may not. Mr. S. H. Roberts cites opposite instances in the Pacific islands of traditional indifference to material advantage, and of keen competition for it.<sup>2</sup> In tropical Africa there are wide differences in tribes even in the same area. Some provide a surplus of adventurous young men who go out to work to see the world; others, in the same area, cannot be persuaded to make any effort to improve their position, or do not easily adapt themselves to a strange environment. Johannesburg recruits miners from Portuguese East Africa as well as from surrounding British colonies, but the Katanga mines have had to give up recruiting from Angola, Mozambique, from the Barotse and Balavale of Northern Rhodesia and from certain tribes in the eastern province of Belgian Congo, because the tribesmen do not take well to the new conditions.<sup>3</sup>

Willingness to work depends very much on the reputation of the undertaking offering employment. The African native from a tribe with experience of wage-labour acts just as a European does, leaving any job he finds disagreeable for more congenial work. The primitive native is critical of wage-earning as such, but is less discriminating. If his first essay proves unsatisfactory he thinks all wage-earning must be so, and he spreads distrust of it amongst his fellows.<sup>4</sup> Yet no colonial people, once in contact with white civilization, can continue to exist on the old lines, as the deterioration in Pacific peoples who have made the attempt has shown. The problem is to make the transition to wage-earning as little destructive as possible of social organization, until that organization has had time to adjust itself to the new conditions. Native economy, where it is not seriously

<sup>1</sup> For a discussion of the alternatives before the natives, see I. C. Greaves, *Modern Production among Backward Peoples*, p. 59; also L. Barnes, *Caliban in Africa*, p. 80, and L. P. Mair, *Native Policies in Africa* (London, Routledge, 1936), p. 10; note on the natives in New Hebrides in *Economic Survey of the British Empire*, Col. 109 of 1933, p. 446.

<sup>2</sup> S. H. Roberts, *Population Problems of the Pacific*, pp. 224-5.

<sup>3</sup> Pierre Charles, S.J., *Le Problème des centres extra-coutumiers* (International Colonial Institute, Brussels, 1936), p. 94.

<sup>4</sup> G. St. J. Orde Browne, *The African Labourer*, p. 27.

affected by white civilization, tends to self-sufficiency for each village or tribal community. The community provides for all its needs with the exception of certain commodities not universally distributed. The native, who has no conception of money, understands barter of commodities or labour for his requirements of salt, iron and any imported luxuries. In internal village transactions he barter in terms of his labour (e.g. in the other man's fields) against that of his neighbour (e.g. in roofing his house). But the notion of exchanging his labour for money wages instead of for goods or direct services is alien to his way of thinking.<sup>1</sup> Therefore progress towards the division of labour, which is the accepted basis of the imported civilization, is naturally slow. Colonial authorities now realize that the change should be gradual, but, under pressure of circumstances and the need for development, they do in fact hasten the *tempo* even where in theory no official pressure is put on the inhabitants to abandon their traditional economy in favour of wage-earning or the production of crops for sale.<sup>2</sup>

### i. *Slavery and Analogous Conditions*

Throughout the ages the problem of labour has confronted all invaders belonging to advanced civilizations. It was often solved by making serfs or gang labourers of subject peoples, and, where necessary, by transferring them as slaves to the places where labour was required. The slave-trade was condemned in Christian Europe, but serfdom persisted. The European colonizers of the New World found they could not develop the country by Indian labour, even under a system of compulsion, and they imported negroes purchased in Africa for work on American plantations.<sup>3</sup>

But in the latter half of the nineteenth century, when Africa was partitioned among the European Powers, naked methods of slavery could no longer be employed; the Powers themselves were pledged to destroy the system, and made concerted efforts to stop slave-raids. Stanley's expedition, which opened up Central Africa, was expressly devoted to that end. Slavery no longer exists in African colonies, except for some remnants of domestic bondage and debt serfdom in native communities.

Administrations had, however, to develop new colonies, and they

<sup>1</sup> For a discussion of the many problems involved, see Dr. A. D. A. De Kat Angelino, *Colonial Policy*, vol. i. General Principles (English translation).

<sup>2</sup> See below, p. 178: 'Encouragement to work'.

<sup>3</sup> For the methods by Spanish, Portuguese and British colonizers, and the reasoning by which they reconciled slavery with Christian doctrines, see H. A. Wyndham, *The Atlantic and Slavery* (Oxford University Press, 1935).

did so by methods which involved serfdom, and sometimes disguised forms of slavery. Speaking at the first meeting of the Temporary Slavery Commission in 1924, Mr. H. A. Grimshaw said that its real object was not only to suppress slavery, but to discover means by which the transition to a universal free labour system could be accomplished. The Commission in fact dealt with the suppression of existing remnants of open slavery, most of them in non-colonial countries, but the task of formulating plans for reforming the systems which had superseded slavery was eventually handed over to the International Labour Organization. Under ruling Powers who had abjured slavery, these systems of servile labour involved in suffering many thousands of innocent people. There is perhaps no need to refer to earlier revelations of mortality in Morel's *Red Rubber* (1907), Challaye's *Congo Français* (1909), and Nevinson's *A Modern Slavery* (1907). André Gide's *Voyage au Congo and Retour du Tchad* relate to 1926-7, and the recent reports on the High Commission Territories in South Africa, though they contain no record of brutal treatment, describe the gradual strangling of the life of those territories by the exodus in search of work, induced by hopeless poverty. Freedom of contract in colonial countries rests in theory on sound European principles: liberty for the native to buy and sell, contract of service for limited periods, taxation for the maintenance of public services. These formulas long satisfied Europe that the colonial system brings to the natives the benefits of a higher civilization, together with liberty and prosperity.<sup>1</sup> It is now recognized that to confer liberty of this kind on peoples who have little means of knowing what the contract means is a shelving of responsibility which should never have been permitted. Unfortunately, the immediate interests of native civilization and of foreign colonization do not coincide, but are often antagonistic. It is arguable that civilization would be best served by leaving the natives as far as possible in their villages and training them in various industries, in laying out local plantations, in growing food for themselves and perhaps some crop for sale, in building houses—in fact by a process of slow development, in which contract labour in distant areas would be exceptional.<sup>2</sup>

## ii. *Forced Labour*

Under the Slavery Convention of 1926, signed by all colonial Powers, the signatories undertook to 'take all necessary measures to

<sup>1</sup> Cf. F. Delaisi, *Les Deux Europes*.

<sup>2</sup> See Albert Schweitzer, *On the Edge of the Primeval Forest*, English translation (London, Black, 1932), pp. 117-18.

prevent compulsory or forced labour from developing into conditions analogous to slavery', and agreed to certain definite conditions even before the discussions for the Forced Labour Convention of the International Labour Organization began. Further, the terms of B and C mandates expressly stipulate that the mandatory 'shall prohibit all forms of forced or compulsory labour, except for *essential*<sup>1</sup> public works and services, and then only in return for adequate remuneration'. In the discussion on the Slavery Convention, in the Sixth Committee of the Assembly, Viscount Cecil explained the reasons<sup>2</sup> for the rather general terms of the forced labour Article; he proposed a resolution, unanimously accepted, that forced labour, even for public purposes, should not be permitted except when voluntary labour was unobtainable, and that it should be adequately remunerated. A great step forward was made by the adoption of the Forced Labour Convention, 1930. This has been ratified by Australia, Denmark, Spain, Great Britain, Italy, Japan, Norway, the Netherlands and Liberia.<sup>3</sup> Adhesion means that the signatories are pledged to suppress forced labour *in all its forms* within the shortest possible period, and that in the meantime they are to permit it for public purposes only, and as an exceptional measure subject to the conditions and guarantees laid down in the Convention. The conditions laid down under which recourse to forced labour is justifiable are that the work must be urgent,<sup>4</sup> of direct interest to the community re-

<sup>1</sup> The italics are ours.

<sup>2</sup> League of Nations, document A. 104, 1925, VI.

<sup>3</sup> The Belgian Government announced at the International Labour Organization Conference of 1936 their intention of ratification. They had abstained on the ground that colonial administrations must reserve the right to compel the natives to improve their conditions of life by the cultivation of economic crops on their own account and for their own exclusive profit. Since Article 421 of the International Labour Organization Constitution allowed a certain local modification of conventions applicable to colonial areas, the Belgian Bill for ratification would contain a reservation to Article 19 of the Convention permitting such cultivation, with the necessary provisions for preventing exploitation by the purchasers of the produce. The ratifying Bill was introduced into the Belgian Parliament on Apr. 7th, 1936, and the authorities of Belgian Congo have already modified the rules with a view to signature of the Convention. The French Government's abstention from ratification was based mainly on the view that it is preferable, if forced labour is necessary for large public works, to impose a long period (thereafter liberating the native from any future obligation to perform forced labour) than to limit the period to 60 days a year as provided in the Convention. However, a Bill to ratify the Convention with modifications was introduced on Mar. 10th, 1936.

<sup>4</sup> An example of the kind of urgent work, apart from fires, invasions of locusts, &c., in which resort to forced labour may be permissible, is provided by Regulations issued in Nigeria in 1935 under the Forced Labour Ordinance. They provided that in districts in the Northern Provinces invaded or

quired to undertake it, and that it must not impose too heavy a burden; compulsion must only be used after it has been proved that voluntary labour cannot be obtained. The details of the progress made may be studied in the annual reports to the International Labour Conference on the enforcement of the Convention. For conditions in colonies not subject to the Convention, the legislation of each colony must be studied.<sup>1</sup>

The Powers signatory to the Slavery Convention have accepted a general obligation to prevent abuses of the forced labour system; signatories of the Forced Labour Convention have given a definite pledge to secure abolition of all forced labour 'within the shortest possible period'.<sup>2</sup> Under the Convention, the purposes for which forced labour is now permitted, with reservations, are:

1. for certain public purposes, i.e. essential public works, portorage for officials, &c.: emergencies, such as flood, fire, locusts, epidemics, famines;
2. labour by tax-defaulters or labour in lieu of tax (labour dues), or under conviction for penal offences;
3. labour for local public purposes, village roads, cleaning of villages and communal services, provided that the community concerned agrees;
4. customary services to local chiefs, in so far as they fall under (3)—these are to be progressively abolished;
5. work exacted in virtue of compulsory military service laws for work of a purely military character.

Purposes for which forced labour is not permitted under the Convention are:

1. compulsory cultivation, i.e. 'educative forced cultivation';
2. work for private employers;
3. production or collection of products for private individuals or companies.

threatened by sleeping-sickness, able-bodied men between 18 and 45 years of age might be called out for a maximum of six weeks in the year for the clearance of vegetation and forest to a depth of one hundred yards from swamps and rivers, in places close to villages, watering places, &c.

<sup>1</sup> 'No such thing as forced labour existed in any colonial code of legislation, but there was the "moral obligation" to work in Portuguese colonies, "administrative aid" in Belgian colonies, "respect for the customary rights of chiefs" in British colonies, *prestations*, "authorization of recruiting" and the "second class of military contingents" in French colonies' (J. Goudal, *Destin d'Afrique*, p. 188).

<sup>2</sup> For the progress made in abolishing the temporarily permitted forms of forced labour, see the *Report* on the observance of the Convention presented at the 1936 Session of the International Labour Conference.

There are necessary tasks for which the African native has a particular distaste, and which he will not usually voluntarily undertake. One of these is portage,<sup>1</sup> which may still be an essential service in districts where communications are lacking. Apart from the question of compulsion, portage is undesirable because of its uneconomic character. The possibility of compulsion may prolong the conditions under which it is inevitable. In Belgian Congo a wise rule prohibits portage wherever any other means of transport is possible on the route, though during the recent depression its enforcement was weakened.

In Netherlands India the *heerendiensten*, i.e. forced labour for general works, have almost disappeared in Java. In some of the Outer Provinces the survival of a barter economy is one of the obstacles preventing the immediate abolition of these obligations. For communal services—sanitary, watch and road maintenance in the village—the village chief may requisition labour from the owners of lands or houses. These 'labour dues' may be and are commonly commuted in Java, since the owner may nominate a member of his family or hire some one to undertake the duty. They are reduced where the chiefs receive salaries from the administration, but in remote districts of the Outer Provinces the system will only disappear completely when all native chiefs have their own treasuries, or, alternatively, salaries from the administration.

The maintenance of local tracks in and around the African village by the team-work of practically the whole able-bodied population at certain dates is the traditional method. It generally works smoothly, though sometimes objections are raised by individuals, whose coercion by the native authority leads to trouble and sometimes to the break-down of what is on the whole a useful system. The trouble began when the system was overstrained by being used to keep up wide roads for white men's cars. The African native is only convinced of the advantages of a road if it is used for motor lorries and buses which he can use himself. It is true that extension of communications benefits the people, that it has revolutionized conditions in Belgian Congo and has made possible the development of French Equatorial Africa. Probably it would have been impossible to build the railways and roads in French Equatorial Africa without compulsion, but the cost in lives for the making of the railroads was

<sup>1</sup> For the details see Orde Browne, *The African Labourer*, pp. 39–40. In Tanganyika the wages paid to porters appear to approximate fairly closely to those general for unskilled labour and the ration allowance appears to be adequate. See the wage-scales given in the *Report of the mandatory Power*.

heavy, since the workmen, unaccustomed to gang labour, had to be brought from great distances inland to work on the coast, where climatic and dietary conditions were strange and they did not know the language. The Government of French Equatorial Africa, desiring to avoid bad conditions in future, have issued strict instructions for the care of workers on railway construction.<sup>1</sup>

For work of a purely military character the Convention permits compulsion in virtue of compulsory military service laws. The French system, moreover, includes a scheme first devised by M. Olivier, when Governor-General of Madagascar, for the employment of those men liable to military service but not enrolled in the army, who may form mobile labour battalions, living under military conditions. This 'second contingent' may be employed on public works, and in some private enterprises, the period of service being two years. In Madagascar the number of men so enrolled in 1929 was 10,000; in 1930 arrangements were made to enrol voluntary labour on similar lines.<sup>2</sup> Conscription has not been applied in French Equatorial Africa; in French West Africa, where conscription is enforced, 'obligatory labour' by conscripts has been used, though only on a small scale. Recruitment of labour for public works, other than the provision under the 'deuxième contingent' and the *prestations* or labour dues, is regulated by a Decree of August 21st, 1930, which applies to all colonies (except the 'old' colonies of Guadeloupe, Réunion and Martinique and North Africa, where it has no relevance). The decree recognizes compulsion as a temporary expedient, and makes Governors responsible for the public works programme and the territorial allocation of labour quotas.<sup>3</sup>

It is an axiom of industrial life that unduly low wages mean inefficient labour. Forced labour is even more unsatisfactory. In

<sup>1</sup> These instructions are printed in the French reply to the I.L.O. questionnaire on forced labour (I.L.O. Conference, 14th Session, Geneva, 1930. Report, *Forced Labour*, pp. 70-87). The French Minister for the Colonies (Chamber of Deputies, Nov. 23rd, 1927), said: 'The morbidity and mortality at one time rose to disquieting proportions . . . in my opinion an initial error was committed; an attempt was made to hasten unduly the construction of this railway. To accelerate the work an agreement was come to with the company responsible for the major portion of the line, the Batignolles Company, putting 8,000 workers at its disposal. Undoubtedly, this was a number in excess of the colony's possibilities. It was therefore necessary to recruit workers hundreds and even thousands of kilometres away, as far as the Tchad and Oubanghi districts. The result was that in this equatorial region requiring special acclimatisation people were brought to work who were evidently incapable of enduring the climate and conditions of employment.' (I.L.O. Conference, 12th Session, Geneva, 1929 (*Forced Labour*, p. 247).)

<sup>2</sup> See *I.L.I.*, vol. xxxvii, Mar. 1931, pp. 370 et seq.

<sup>3</sup> See *I.L.I.*, Dec. 1930, p. 241, where the Decree is analysed.



announcing the intention of abolishing the last remnants of forced labour in Sierra Leone—forced work on the roads—the Governor said<sup>1</sup> that chiefs were experiencing increasing difficulty in supplying the labour, the standard of efficiency was low, the system was unsatisfactory from every point of view and could no longer be tolerated.

The use of forced labour on a large scale for public works is now very rare, and for private purposes still rarer, writes a correspondent. The most important survival is by way of taxation, whether or not the labour is rendered in lieu of the payment of a money tax; the persons on whom these labour dues or *prestations* were levied being required to work for a number of days each year.

The 1930 Convention is expressly directed to the destruction of the remnants of servitude persisting in backward countries. Its terms have little relevance in highly developed communities. The French Government in their reply to the I.L.O. questionnaire<sup>2</sup> pointed to the enormous diversity of their colonial possessions, to the many rungs in the colonial 'social ladder'. In the West Indies, in Réunion and Senegal, the citizens have the same social rights as in France. This is true even in respect of certain *prestations*, which may also be levied in France. In French North Africa, where the labour legislation of Metropolitan France is gradually being applied, there is no need to resort to compulsory labour for public works. The necessity is diminishing in West Africa, where the great improvements in the port and town of Dakar have been accomplished by voluntary labour. But it is maintained that the very unequal distributions of populations and the primitive conditions of certain areas make a voluntary labour policy based on a rational distribution of the available labour extremely difficult.

### iii. *Compulsory Cultivation for Educative Purposes*

Many colonial authorities are not content with agricultural advice, but resort to compulsion, which usually takes the form of an obligation to till, sow and reap a particular crop on a certain area of land, or to plant and tend certain trees. Compulsory cultivation or *travail éducatif* is justified by administrators either as a method of agricultural education and of general education in the value of work; as a precaution against famine; or as a means of bringing in money to the native.

The 1893 Commission on Fijian Depopulation urged the revival of

<sup>1</sup> Legislative Council, Nov. 4th, 1935, reported in *I.L.O.*, June 15th, 1936, vol. lviii, no. 11, p. 252.

<sup>2</sup> *Forced Labour*, 1930, pp. 6-9.

an earlier law that every able-bodied man should have and maintain a plantation of not less than a hundred bananas or five hundred 'hills' of yams or other roots. Taxes were to be paid in kind. But the experiment broke down under the abuses of collection in kind and the difficulties of the communal system. Under German rule in New Guinea natives were compelled to plant coco-nuts, and a similar system was tried in Samoa, but failed.<sup>1</sup> In Tonga, where land is vested in the Crown, each adult receives a plot of  $8\frac{1}{4}$  acres on condition that he pays rent and plants half of it with coco-nuts. No Tongan may hold two 'tax allotments', but he can rent extra land. The experiment seems to have been reasonably successful. In Papua<sup>2</sup> in the 'nineties Sir William McGregor made coco-nut planting compulsory, and the Native Plantations Ordinance of 1918<sup>3</sup> enabled natives to defray their taxes by clearing and other work on native plantations;<sup>4</sup> the Government provided the means of cultivation and took half the crop, the proceeds being paid into a special fund for native improvements. The plantation system was introduced in certain districts to rice cultivation and to the growing of sugar cane. On the other hand, agriculture in the 'highlands' was discouraged, natives being paid at a low cash price for their produce. The system was abandoned in 1921, 1922 and 1923, when the Government introduced a new system, which provided for the natives to grow their own food crops and to sell the surplus on the market. The Lindsay report on the Mandated Territory justified compulsion on the ground that the natives had no agricultural instinct and must be educated to work.

Though various ordinances<sup>5</sup> in Belgian Congo provide for the compulsory cultivation of certain crops, the strictest examination is made of local needs and of the cash return to be made to the native for the compulsory crops before the annual cultivation scheme is laid down in any district. Further, under a decree of September 25th, 1935, no new compulsory crop can be imposed without the consent of the Governor-General. It is claimed that *travail éducatif*, enforceable by penal sanctions, has transformed backward sections

<sup>1</sup> Regulations of a similar kind have been revived by the mandatory Power. (See *Forced Labour*, Report and Draft Questionnaire, I.L.O., Geneva, 1929.)

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<sup>3</sup> The Marketing of Produce Ordinance, put into force Jan. 1st, 1936. For details see special article in *The Times*, Oct. 2nd, 1936.

<sup>4</sup> S. H. Roberts, *Population Problems of the Pacific*, pp. 213 et seq.

<sup>5</sup> For modifications in later ordinances see *Forced Labour*, Report and Draft Questionnaire, I.L.O., Geneva, 1929, pp. 79-80.

<sup>6</sup> See E. Leplae, in *Congo*, Oct. 1930, pp. 386-418, on the original ordinances, and see also the Instructions to the Governor of Belgian Congo, printed in *Y.B.C.C.D.*, 1934, vol. i, p. 179.

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of the Congo into prosperous territories. The desire to retain the system explains Belgian abstention from the Forced Labour Convention of 1930. Nevertheless, the system has been strongly criticized in the Belgian Parliament, and it is argued that, if it pays the native to grow these crops, compulsion should no longer be required.

In French Equatorial Africa the authorities, during the depression, turned to compulsory cultivation of cotton in Chad and Ubanghi to make up for the reduction in the export of cattle (to neighbouring British colonies mostly) due to cattle disease; and to replace rubber collection, no longer worth while at the low prices prevailing, and at any time an unsatisfactory form of employment. The cotton plan, carried out under strong official pressure, gave cotton societies the right to buy, on the basis of the Havre price, the cotton produced in certain areas for a certain period. The companies enjoying this monopoly were required to supply the native growers with the seed, and to build factories for ginning, packing, &c. The harvest of 1932-3 produced 2,500 tons of cotton.<sup>1</sup>

The case for and against compulsory cultivation is argued in the *Report of the Temporary Slavery Commission*, which concluded (with the abstention of Commandant Roncagli) that:

'the obligation placed on the native to work on his own land, for his own sole benefit, may be permissible so long as it is primarily an educative measure, or can be justified as an economic necessity if there is danger of a deficiency of food.'<sup>2</sup>

Even if, under certain circumstances, compulsory cultivation is permissible, it may be said that if it is associated with monopoly, i.e. with compulsion to sell the product to a given buyer, the owner of a factory or a firm of merchants, it is open to definite abuse.<sup>3</sup>

The Belgian Government in their reply to the I.L.O. questionnaire<sup>4</sup> suggested that safeguards against abuse of *travail éducatif* were:

1. to forbid compulsion except on land belonging to the natives compelled to work;
2. the exclusion of legal or actual monopoly by European undertakings purchasing the produce; and
3. fixing a minimum buying price.

<sup>1</sup> Report of M. Archimbaud, Session of the French Budget Commission, Dec. 19th, 1933 (*Y.B.C.C.D.*, 1933, vol. ii, pp. 329-30).

<sup>2</sup> League of Nations Document A.19, 1925, VI.

<sup>3</sup> Cf. O. Louwers, *Notre politique coloniale* (Brussels, Campenhout, 1934), pp. 16-17.

<sup>4</sup> *Forced Labour*, Blue Report, I.L.O. Conference, 14th Session, 1930, pp. 101-2.

Even if there is no compulsion to cultivate the dangers of monopoly may occur when native producers enter into agreement with processing factories to hand over the produce, the factory providing supervision and expert advice.<sup>1</sup> The obvious remedy seems to be in the establishment of co-operative marketing societies.<sup>2</sup>

#### iv. *Indirect Compulsion to Work. Work for Concessions*

Conditions very nearly approaching those of forced labour arise where large areas are alienated for concessions. Natives living in the area are virtually compelled to collect rubber, palm-kernels, copal and other forest products. They are unable to move elsewhere, and have practically no alternative but to work for the companies, which can therefore fix their own price.<sup>3</sup> French Equatorial Africa has been hampered by concessions of this kind, and, although the system has been modified, the Compagnie Forestière Sengha-Oubanghi, a merger of eleven concessions, had its rights over a large area confirmed in 1920 for fifteen years, with the possibility of renewal in 1936.<sup>4</sup> The company was authorized to make agreements with native communities for the collection of wild rubber and for agricultural enterprises. Forest concessions<sup>5</sup> in Gabon led to a mobilization of workers amount-

<sup>1</sup> 'A cotton syndicate was formed on this basis in French Togo, and the *Plantations Congolaises* undertook to extend the cultivation of foodstuffs in the Belgian Congo by contract with the chiefs. But this method of organization is of most importance in the sugar-cane industry, where the central factories in most of the important exporting areas—Cuba, Fiji, Trinidad, Hawaii, the Philippines, Mauritius—obtain a large proportion, if not all, of their crop by farming agreements with small-holders, whose cultivation is directed by the company's technical experts. Where a plantation owns a larger area than it can cultivate directly with hired labour, e.g. the Colonial Sugar Refining Company in Fiji, it leases small allotments to peasants; but some factories, notably in Cuba, own no land, while others, e.g. Usine St. Madeleine in Trinidad, grinds both their own and peasants' canes. . . . The British Cotton Growing Association established gineries in West Africa without owning any agricultural land.' (I. C. Greaves, *Modern Production among Backward Peoples*, p. 175.) <sup>2</sup> See Chapter XI, section vi.

<sup>3</sup> For the advantages and disadvantages of the system see Albert Schweitzer, *On the Edge of the Primeval Forest*, pp. 119–20.

<sup>4</sup> The system was strongly criticized by André Gide, who travelled over the district in 1926–7, in *Voyage au Congo* (Paris, Gallimard, 1928), and the Company's reply to his indictment is published in his second book, *Le Retour du Tchad* (Paris, Nouvelle Revue française, 1929).

<sup>5</sup> One of the great difficulties in forestry work in French Equatorial Africa on the Ogowe river is food. The nearest village and the nearest plantation may be twenty-five miles away through jungle and swamp. The staple foods of banana and manioc (cassava) are bulky and do not keep for more than a few days, banana six days, and manioc bread (a kind of dark dough moulded into thin sticks and wrapped in leaves for preservation) ten days. The regular provision of native foodstuffs being impracticable, native timber workers have

ing in 1929 to 25,000, or more than one-fourth of the total able-bodied male population. The administration intervened, and recruiting (which must be voluntary and carried out under government supervision) was reduced to 4,000 in 1929 and to 2,700 in 1931. The present situation is obscure, but it appears that a new system for the concessions in French Equatorial Africa was introduced by a Decree of April 13th, 1929, brought into force on March 31st, 1930. Under this decree, concessionaires no longer have rights over the whole area of their former concessions, but may choose sites for the erection of oil factories and have a monopoly for the purchase of the raw material from the natives within a radius of 30 kilometres from each factory (so-called *zones de protection*).

In Belgian Congo the administration imposes strict obligations on existing concessionaires.<sup>1</sup> One of them at least, following the example of the mining companies, has established model villages, with a view to stabilizing labour supply. Large-scale concessions were granted at the time of the Partition of Africa in various parts of the continent as a way of opening up these countries at the cost of private enterprise, without the expenditure of exchequer funds. The social, economic and political disadvantages of this system have forced governments to intervene, either by buying out the concessionaires or by imposing heavy obligations.

#### v. *Economic Conditions compelling Wage-earning*

Economic conditions may act as a driving force towards wage-earning. The local population may press too heavily on the means of subsistence, because of land shortage or because of the absence of outlets for their produce. Segregation into native reserves, as adopted in some parts of East and South Africa, may create this condition even where it does not at present exist, as the population increases. In one important labour-exporting area, Nyasaland, there is no segregation, but poverty causes a heavy annual exodus. Inadequate resources, coupled with heavy taxation, compel natives from certain reserves in Kenya and from the High Commission territories in South Africa to seek work outside their own boundaries. In localities where plantation work is at hand or where there is opportunity for growing economic crops, a poll- or hut-tax can be met without the disruption of native life and institutions. In remote districts, where the cost of evacuating the crop is prohibitive or the soil is unsuitable, there to live on imported rice and tinned foods. (See Schweitzer, *On the Edge of the Primeval Forest*, pp. 97-8.)

<sup>1</sup> For a brief account of these concessions see Dr. L. Mair, *Native Policies in Africa*, pp. 218-31.

may be a forced exodus, often for hundreds of miles, in search of work under strange and sometimes terrifying conditions.

Land shortage is the worst kind of incentive to work, since it is commonly associated with continued food shortage, a limiting factor in the growth of population and consequently of labour supply. It is probably far more effective in driving men out to work than heavy taxation; when the two are combined, the position of the native is extremely difficult.

The innovation of money payments, however small, to the authorities, instead of the customary offerings to the chief in labour or in kind, itself causes a great change in primitive communities and is a strong solvent of tribal life. The poll-tax or hut-tax is almost universal in tropical Africa, except in British West African colonies where production of crops for sale makes it unnecessary. Often the taxpayer, farming solely for subsistence, cannot meet the obligation from his holding, since there is no large local market unless he is near a mining district or a town. A money tax means that contact must be made with a money economy. The imposition of taxes, says a French authority, under the rubric of 'methods of fighting idleness', compels the taxpayers to procure the means of payment and so to undertake work.<sup>1</sup> Sir Percy Girouard, in the early days of Kenya Colony, pointed out that 'taxation was the only possible method of compelling the native to leave his reserve for the purpose of seeking work'.<sup>2</sup> But experienced British administrators to-day are doubtful whether taxation, unless on a very oppressive scale, is as effective as is sometimes believed.<sup>3</sup>

During the depression there was a reversion in some districts of Netherlands India to the admittedly unsatisfactory methods of collecting taxes in kind or in labour. In Tanganyika Territory in the year 1934-5 over 40,000 men worked on an average of 34 days each in lieu of payment of tax. The authorities are trying to reduce this method of payment, especially as the labour (on public works) is unsatisfactory.

<sup>1</sup> L. Rolland and P. Lampué, *Précis de législation coloniale* (Paris, Dalloz, 1936).

<sup>2</sup> Cited by Norman Leys, *Kenya* (London, Hogarth Press, 1926), p. 202.

<sup>3</sup> How far an alteration of tax will operate to any appreciable degree in increasing the flow of labour from a community is arguable. Probably the first introduction of taxation in a raw tribe may serve as the preliminary inducement to many of them to seek work, but after they have formed the habit, it seems very doubtful if a few shillings added to the tax will really influence the decision of many men as to whether they should remain at home or not. . . . The shopkeeper, in fact, probably provides a far greater incentive than the tax-gatherer. Orde Browne, *The African Labourer*, p. 32.



The native poll- or hut-tax varies from colony to colony, and sometimes in different districts of the same territory.<sup>1</sup> In British Cameroons in the Kentu area the tax is 3s. 3d. per adult native male, but 6s. for a Hausa trader; in Dikwa district it is less, and in the hills it is 1s. 3d. In Tanganyika the tax ranges from 15s. with 7·50s. for plural wives tax, down to 6s. and 3s. respectively.<sup>2</sup> In Basutoland the 28s. tax cannot be paid without outside labour, since average incomes are often below £1. In Bechuanaland it was 23s. in 1933, and the chiefs could levy further taxes for their own purposes. The recent Nyasaland Commission<sup>3</sup> estimated that the amount of taxation actually paid in five districts was £18,379 in one year. The native tobacco-growers received 1d. a pound for their tobacco—a total of £250. The proceeds to the natives from their cotton and rice was estimated at not more than £1,000. Wages paid locally were £13,000. The total of these sources of income was therefore £4,129 less than the taxes paid, and this difference had to be found by wages earned outside the area. The Committee found that taxation was the ‘omnipresent and overwhelmingly important cause of the exodus of labour’. The basis of the tax is 6s. for each adult male or for an adult unmarried female occupying a hut. In certain circumstances the tax may be 9s. Obviously either the tax is too high<sup>4</sup> or the rates for produce are too low. Nyasaland adults must go abroad to work not only to earn the tax but to earn money for the purchase of necessities, and, if they are young men, to procure the ‘bride-price’. The Committee say that nearly half the men go out to earn the bride-price, which tends more and more to be demanded in money instead of in cattle.

<sup>1</sup> Dr. Buell endeavoured to estimate average rates of taxation, direct and indirect, in African countries, on a uniform currency basis for 1926. (See *The Native Problem in Africa*, vol. i, p. 944.) The gross figures for the payment of customs duties per head do not, of course, indicate the burden on the village taxpayer, but for certain countries an analysis has been made, working out the incidence of the duties on cotton piece-goods and other objects bought by the natives (cf. Chapter XVII, section iv).

<sup>2</sup> East African shillings.

<sup>3</sup> *Report of the Committee appointed to inquire into Emigrant Labour*, Zomba, Nyasaland, 1936.

<sup>4</sup> The Colonial Secretary (Mr. Ormsby-Gore), in a dispatch to the Governor, did not admit that emigration was due to taxation, but to the natural attraction of remunerative employment. ‘Emigration to lands of greater economic opportunities can never be held in check; it is the process by which history has been made.’ Nevertheless, he suggested that a rate equitable in South Nyasaland, where there is more employment and more opportunity for disposing of cash crops, might be a hardship in the north, where there is little employment and poor communications, with consequent heavy transport costs. The rate of tax in those areas in which the natives have no reasonable means of obtaining employment locally or of growing economic crops for export should be immediately reduced.

In Swaziland the money brought in by Swazis going abroad to work provides a large share of the economic resources of the territory.<sup>1</sup>

The hard case of the High Commission territories has been described recently in three official special reports and by Miss Margery Perham.<sup>2</sup> All three territories depend on the Union of South Africa as a market for their cattle and other produce, and, although they are included in the South African Customs Union, there are various veterinary restrictions on the sale of their cattle in the Union. Consequently, the tax-money and other money payments must be met largely by the sale of the men's labour in the Union. Miss Perham calculates<sup>3</sup> that at any one time 50 to 70 per cent. of the able-bodied men are away from these territories. She maintains that the cheap labour of these temporary workers, dependent in the long run not on that labour but on their home holdings, is in fact uneconomic, and depreciates wages in the Union. The development of a satisfactory native economy is hindered by the necessity to leave the village in order to earn the money required for taxes and other purposes.

Various suggestions, some the result of special inquiries, have been made for the modification of the existing systems in British East and Southern African colonial areas.<sup>4</sup>

In French African colonies taxation appears to make heavy demands on native resources. M. Paul Reynaud told the Chamber of Deputies<sup>5</sup>

<sup>1</sup> The total sum paid in wages to Swaziland natives in the Johannesburg mines (180 shifts at 2s. 1d. per shift) was estimated for the five years ending 1930 at £85,875 per annum. After 1932 the period of recruitment covered 270 shifts. The sums estimated to be returned to the Territory in connexion with these contracts were:

- (i) £42,811 on account of advances (including payments of taxes on the workers' behalf, capitation fees paid to native agents).
- (ii) £9,538 savings of miners paid to them on their return as deferred pay.
- (iii) £1,238 paid in various forms of compensation.
- (iv) Estimated sum of £10,000 brought back in cash by natives not on deferred pay.

In addition to these men employed on the Rand, about 1,598 were employed in coal-mines and in other occupations in the Transvaal, and probably at least 3,500 on other work elsewhere in the Union. Farm wages are from 7s. 6d. to 20s. a month for juveniles, and from 20s. to 40s. for adults, plus rations and quarters. (See Cmd. 4114 of 1932, pp. 23-4.)

<sup>2</sup> See the *Reports* by the Commission appointed by the Secretary of State for Dominion Affairs on the financial and economic position of Swaziland (Cmd. 4114 of 1932), Bechuanaland (Cmd. 4368 of 1933), and Basutoland (Cmd. 4907 of 1935). Perham and Curtis, *The Protectorates of South Africa*; cf. also, for Swaziland, D. M. Doveton, in the *Geographical Journal*, Oct., 1936.

<sup>3</sup> *Ibid.*, p. 19.

<sup>4</sup> The results of the various inquiries are assembled in a convenient form in *I.L.I.*, Jan. 18th, 1937, pp. 95-8.

<sup>5</sup> June 28th, 1936.

that the capitation tax in French West Africa was too high, and was driving the natives over the border into British and Spanish territory.

vi. *Encouragement to Work*

Apart from direct compulsion, and from the pressure exerted by land shortage and taxation, there is undoubtedly a certain amount of influence exercised by administrative officers in inducing the young men of the village to go out to work. The Forced Labour Convention prescribes (Article VI) that officials of the administration, 'even when they have the duty of encouraging the populations under their charge to engage in some form of labour, shall not put constraint upon the said populations or upon any individual members thereof to work for private individuals, companies or associations'. Under the conditions prevailing in some colonial areas an intimation given by an official to a chief that there is a demand for labour for a particular piece of work may easily be interpreted as an order to turn out so many men. In British colonies, where any such danger still exists, district officers are warned against giving advice which can be so interpreted, but at the same time they are made fully aware of the importance of wage-labour. Officers are precluded from interfering directly in recruiting, but it is more difficult to prevent the chief or headman, whose authority is immediate, from ordering the men out in the interests of the revenue, since the men pay their taxes out of their earnings and may remit other sums to their homes. However careful the supervision may be there is always the further possibility that the chief may profit personally on the transaction. Colonial authorities generally are aware of the danger. M. Pierre Orts, writing in 1928, declared that 10,000 Congo natives had fled recently to Uganda to escape requisitions by the chiefs. In May 1929 a decree secured that bonuses paid by the Katanga Central Labour Agency should be paid to tribal funds and not personally to the chiefs. In the Union of South Africa and surrounding British territories abuses in the past have led to legislation making illegal any agreement with a chief or headman to supply labour.<sup>1</sup> Nevertheless, in the interests of colonial development, administrations tend to encourage wage-earning. The danger lies in the possession of practically despotic powers which may perhaps unconsciously be employed to promote the advantage of the white employers.

If the purely economic incentive of a better standard of living, and of new wants, were universally adequate, there would be no need for

<sup>1</sup> See *Recruiting of Labour* (I.L.O., 1935), p. 145.

'encouragement'. But in backward communities such an incentive works much more slowly than the demand by the ruling Power for development, though it may be speeded up by a general advance in education and social conditions. It is only permitted to take its slow natural course when there are other sources of labour-supply; in Malaya, for instance, conservative Malays, satisfied with their own moderate standard of living on the land, are not under any pressure to undertake work in rubber-plantations or mines, because willing Indian and Chinese labour is ready to hand. But in many colonial countries the purely economic incentive has not had a fair chance, because there was no alternative labour-supply and the colonists could not allow the necessary time for the spontaneous development of wants. In the early stages of colonization, both in Africa and in Oceania, a short cut was taken by the provision of spirits and of fire-arms, and in the East of opium, all of them commodities in immediate demand. But since unregulated trade in these commodities threatened the destruction of the labour force, common restrictive action was early agreed upon by the Powers concerned, though it is not yet complete for alcohol.

The normal economic incentives to work are either presentation of goods which are relatively cheap in terms of labour or high wages in pleasant circumstances.<sup>1</sup> Experience in Africa shows that taxation, unless it is excessive, has far less permanent influence than the local shopkeeper. The return of a party from work, with gaudy clothes, knives, mouth-organs, blankets, &c., will turn out recruits as no tax ever did. The plantation-owner in Malaya imports Indian labour, and is only able to do so because the Indian Government, who have representatives in Malaya and Ceylon, are satisfied that conditions of work and wages are satisfactory. Moreover, the planters have learned that efficient labour requires health and good conditions. In recent years Chinese labourers, less conservative than formerly, have sent for their wives, and the employers provide small-holdings. Mr. C. R. Harrison, of the Ross Institute, who visited Africa lately at the instance of sisal planters in Tanganyika, and inspected estates there and in Portuguese East Africa, found there was in many cases no regular

<sup>1</sup> Cf. Madagascar. M. Cherrier (cited in *Recruiting of Labour*, I.L.O., p. 75) writes: 'It must not be imagined that the Malagasy is wilfully opposed to all work. Able-bodied and vigorous men are to be found in all the provinces who would accept employment willingly if they found it to their advantage to do so, and if they were not afraid of losing their independence or their liberty. The employer who offers a reasonable wage and is able to win the sympathy and respect of his men will never have any difficulty in finding on the spot the labour that he needs.'

inspection of accommodation for native labour, such as is customary in Malaya. He says:

'Where conditions amount to malarial saturation, where sanitation is defective, where diet is poor and food values unstudied, where reasonable thought and care of the native labour is absent, and where housing is of the poorest, it is not surprising that the tasks accomplished on some estates are one-sixth of those accomplished by Asiatic labourers, or that it is necessary to carry a labour force many times in excess of requirements. It may be argued that Asia is not Africa, and the Africans will not work, or that plantation work is not popular. Yet I can give instances from mines which show that the same native, when cared for, can be an efficient and regular worker.

'On one mine recruiting is no longer necessary and natives are camped in the neighbourhood waiting the opportunity to join. Natives have been on this mine since it was opened seven years ago and are now skilled workmen. On another mine the daily out-turn is 85 per cent. of those resident on the mine. On the Zambezi Bridge the rivetters drove more rivets than, and as well as, skilled men in Europe. On two small private estates where reasonable care and attention were given, I was told that in one case for 13 years and in the other for 10 years the labour force was practically unchanged and the out-turn regular.'<sup>1</sup>

The value of the wage provided depends a good deal on the advantages which are provided with it and the quality of the rations. Hawaii sets a high standard in amenities, including bathrooms, day nurseries and theatres; East African plantations supply blankets, and in Belgian Congo, as in Malaya and Ceylon, certain medical and other services are obligatory. Rations and treatment are often more important than the amount of the money wage, and the prospect of good rations attracts plenty of labour in many African countries.

#### vii. *General Principles of Encouragement to Work*

The general principles governing indirect compulsion or encouragement to work were agreed by the General Conference of the International Labour Office in 1930 and issued as a supplementary document to the Forced Labour Convention.<sup>2</sup> They form a useful summing up of the whole question. The recommendations that States adopting the Convention are expected to take into consideration are the following:

I. The amount of labour available, the capacities for labour of the population, and the evil effects which too sudden changes in the

<sup>1</sup> *I.L.O.*, vol. lviii, no. 6, May 11th, 1936, p. 162, citing the account in the *East African Standard*, Mar. 27th, 1936.

<sup>2</sup> See *Forced Labour*, Report I (I.L.O., Geneva, 1930), p. 224.

habit of life and labour may have on the social conditions of the population, are factors which should be taken into consideration in deciding questions connected with the economic development of territories in a primitive stage of development, and, in particular, when deciding upon:

- (a) increases in the number and extent of industrial, mining and agricultural undertakings in such territories;
- (b) the non-indigenous settlement, if any, which is to be permitted;
- (c) the granting of forest or other concessions, with or without the character of monopolies.

II. It is undesirable to resort to indirect means of artificially increasing the economic pressure upon populations to seek wage-earning employment, and particularly such means as:

- (a) imposing such taxation upon populations as would have the effect of compelling them to seek wage-earning employment with private undertakings;
- (b) imposing such restrictions on the possession, occupation, or use of land as would have the effect of rendering difficult the gaining of a living by independent cultivation;
- (c) extending abusively the generally accepted meaning of vagrancy;
- (d) adopting such pass laws as would have the effect of placing workers in the service of others in a position of advantage as compared with that of other workers.

#### viii. *Conditions of Wage-earning*

Wage-earning conditions naturally vary as widely as colonial economies. In advanced colonies like the West Indies there will be as many grades of wage-earners and salaried persons as in a European country, and regulation may be on the lines of European legislation.

A certain standardization of labour conditions in conformity with the national legislation of metropolitan countries is taking place in all the more advanced colonies. Legislation for Workmen's Compensation has been pushed forward in British colonies in recent years,<sup>1</sup> and in 1935 the Colonial Office circulated to all colonial authorities a model Workmen's Compensation Ordinance for consideration. A further circular drew attention to the necessity of providing, whether by the creation of labour departments or otherwise, for the regular inspection of conditions of labour. Trade-union legislation, legalizing trade unions and providing for their registration,

<sup>1</sup> See a reply in the House of Commons on Mar. 9th, 1932.

has been passed in some colonies. Great Britain was a party to the International Labour Office Convention of 1928 for the establishment of machinery for fixing a minimum wage, and permissive legislation in accordance with the main principle of the Convention has been passed in a number of British dependencies. International Conventions for the protection of women and children have been implemented by legislation prohibiting the employment at night of women and children, and by fixing the minimum age of entry into industry in most British colonies.<sup>1</sup>

France has extended French laws for the regulation of labour conditions in part to North Africa and to the West Indies; French trade-union legislation to Algeria, the West Indies, and Cameroons; and local labour inspectorates have been established in various areas. Various decrees for the protection of labour in French West Africa were promulgated in 1936. A new impulse to the improvement of colonial conditions has been given by the Blum administration. A decree of September 23rd, 1936, authorized a mission of inquiry in French colonies under M. Justin Godart, to consider the co-ordination of labour and social policies in accordance with the general principles of Article 421 of the Treaty of Peace.

Under this article members of the International Labour Organization engage to apply as far as possible to their colonies and protectorates general labour conventions which they have ratified:

- '(1) Except where owing to the local conditions the convention is inapplicable, or
- '(2) Subject to such modifications as may be necessary to adapt the convention to local conditions.

'And each of the Members shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.'

Where the adopting State employs native labour within its own boundaries, as in the Union of South Africa, application to such

<sup>1</sup> In reporting on industrial legislation in colonies *in a single year, 1935-6*, the I.L.O. *Year Book* provides examples of legislation on the following subjects:

Night work of Women and Children: Belgian Congo, St. Vincent, Cameroons under French Mandate, Madagascar, Ivory Coast.

Workmen's Compensation, New or Amending Acts: British Guiana, Ceylon, Malaya, Morocco.

Limitations of Hours of Labour and Weekly Rest: Uganda (draft rules), British Honduras, Cameroons under French Mandate, Southern Rhodesia (as part of a general mining code).

Factory conditions, Sanitation: Gambia.

Minimum wage: Zanzibar, Nigeria, St. Lucia, Trinidad, Fiji, French Ivory Coast. Domestic Service: Ceylon, Malaya.

labour is automatic. The international conventions adopted by the Union on conditions of labour—the employment of women on night shift in industry, equality of treatment for national and foreign workers as regards accident-compensation, minimum-wage-fixing machinery, and the employment of women underground in mines—apply to all labour, whether white or native, without differentiation.

The International Labour Conventions which have received the widest application in colonies are those relating to the employment of women and children. Their successful working, however, depends on local arrangements for implementing the terms of the agreements. Many of the other labour conventions, designed for highly industrialized States, have only a small, though increasing, field of usefulness in colonies at present, and international action is likely for some time to come to be concentrated on special colonial questions such as recruitment.

In 'white men's countries' in eastern and southern Africa there exists a tacit division of labour even where there is no colour bar, and the better-paid work is done by Europeans. But in British West Africa all posts for which sufficiently trained and educated West Africans are available are filled by them; wages on the railways, for instance, correspond more or less with wages in England, and, if living standards are taken into account, are probably better.<sup>1</sup> In southern Africa the railways are run by white men; when the Congo border is crossed the train is taken over by natives. It is therefore difficult to give any general picture of wage-conditions,<sup>2</sup> though details for individual colonies are given in some British reports, together with the numbers employed in different occupations.

In backward countries in process of development there are large groups of unskilled workers, many of them recruited from a distance. In the absence of protective legislation unorganized native labour would be at a disadvantage under conditions of labour involving long absences from home, and dependence on the employer for rations and housing. Specified minimum standards of rations, and in some cases of wages, have been imposed by legislation in many countries, in Belgian Congo, the Union of South Africa, Kenya,

<sup>1</sup> African and West Indian salaried persons and wage-earners employed on Nigerian railways on Mar. 31st, 1934, were 32,752. (See G. A. Oldfield, 'The Native Railway Worker in Nigeria', in *Africa*, vol. ix, no. 3, July 1936.)

<sup>2</sup> Wages for unskilled agricultural labour vary very much. Dr. Greaves (*Modern Production among Backward Peoples*, pp. 178-9) has collected wage-rates for various colonies. They are daily or monthly rates, and therefore give no indication of annual earnings. The figures are for 1930, and since that date there have been changes.



Tanganyika, Ceylon, and throughout the French and Portuguese colonial empires. In Malaya and in Netherlands West Indies the competent department is authorized to promulgate scales of rations binding on employers of native labour. In some districts only the amount of the basic food is laid down, in others, where extra foods are not easily to be bought, various complementary rations, anti-scorbutic foods, &c., are stipulated for. A circular dispatch from the British Colonial Office<sup>1</sup> draws attention to the opportunities offered by the agglomeration of labourers, in mines and the plantations, for the inculcation of improved dietary habits, which they may carry home on their return. Since the men cannot always have their customary diets, governments should insist that changes are salutary.

Many labourers from surrounding colonial countries are employed in the South African mining and other industries and occupations, and the wages there paid have a considerable effect on wages outside the Union. Mines and allied concerns alone occupied 360,664 native and coloured workers in 1935, of whom nearly 300,000 were in the gold-mines.<sup>2</sup> Wages of white labour on the Rand in June 1935 ranged from 30s. 2d. for shift-bosses to 15s. 11d. for winch-drivers; wages per shift of native labour in March 1936 averaged 2s. 1·3d., with compound services estimated to cost 10d. a shift and to be worth 1s. 6d. a day to the native. Monthly money wages of natives amount to about 57s. 1d. per month. They are higher in diamond-mines, but free supplies of food, &c., are less. Average weekly wages (including allowances) paid to unskilled native labour in trade and industry generally in the provinces of the Union were in 1934 highest in the Cape Peninsula (24s. 4d.) and lowest in Pretoria (14s. 11d.), and in the Natal sugar industry (12s. 10d.). These wages are considerably higher than those paid in agriculture in the Union—about £21 to £25 a year in the Transvaal—and farmers complain of wholesale desertion from the farms to go to better-paid employment elsewhere.<sup>3</sup> The general level of native wages, though low compared with white men's wages—only a very small proportion earn £5 a month—is high in comparison with rates in surrounding countries, and attracts outside labour.

In mines generally the charges for housing, rations, medical and welfare services may cost the employer more than the money wage.

<sup>1</sup> *Nutrition Policy in the Colonial Empire* (H.M.S.O., 1936).

<sup>2</sup> *Official Year-Book of the Union of South Africa, 1934-5* (Pretoria, 1936), p. 512.

<sup>3</sup> See *I.L.I.*, vol. lxi, no. 3, Jan. 18th, 1937, p. 99. For wages in the Union, see the *Official Year-Book*, already cited, p. 246.

In 1932 in the Katanga mines wages were 11 fr. a day and the cost of services 15 fr. In Northern Rhodesian copper-mines wages averaged 12·4*d.* and the cost of services 11·64*d.* At Roan Antelope services cost 16·56*d.* a day. Bonuses were provided for wearing the boots and coats provided for going to and from work.<sup>1</sup> The Rand mines carry heavy charges for compensation under the Miners' Phthisis Acts. The result of the expenditure in housing, rations and social services is shown in the decline in mortality rates. Merle Davis<sup>2</sup> notes that, with the greater age of the mines and the longer stabilization of the workers, the death-rate, in so far as it is due to the rawness of labour and bad conditions in the mine and in the camp or compound, tends to diminish.

Some particulars of labour conditions are regularly published in the *Annual Reports* of British colonies. In some colonies a considerable variety of occupations is available. In Uganda, for instance, the average monthly total of persons in employment (exclusive of agricultural labour) in 1934 was 48,756. Ginneries employed (for four to six months) an average of 14,418, mines 4,980, coffee estates about 5,000, sugar estates 4,850, and a sisal estate 700. Many thousands of immigrants from neighbouring territories continued to find employment as agricultural labourers with native farmers in the Buganda Province, and they supplied also most of the labour employed in the ginneries of this province. The West Nile district continued to supply most of the contract labour, and permits to recruit 13,085 labourers were issued during the year. The minimum wage for contract labourers was 8*s.* a month, with a daily ration consisting of 1·5 lb. of maize meal or 2 lb. of flour, 4 oz. of beans, and 2 oz. of ground-nuts; a weekly issue of salt was also made. The wages of unskilled labour ranged from 4*s.* to 20*s.* a month, the minimum wage being normally augmented by a free issue of rations. Semi-skilled and skilled labour received from 16*s.* to 150*s.* a month. As regards hours of work, Government employees worked an average of forty-six hours a week, industrial workers about forty-eight hours, and workers in ginneries sixty hours. Agricultural labourers were normally employed on task-work, and their hours of work were approximately thirty-eight to forty-two a week.

#### ix. Recruitment

When labour has to be secured from a distance many difficult problems arise, especially if recruitment is from alien races or across

<sup>1</sup> For conditions in Northern Rhodesia, see J. Merle Davis, *Modern Industry and the African*.  
Op. cit., p. 67.

international frontiers. Even when the transfer is within the same territory, there may be serious dislocation, if an undue number of able-bodied males are removed from a village or from a given area. Moreover, there is danger of undue pressure by the persons engaged in recruiting, and sometimes of indirect official encouragement, difficult for uneducated natives to resist;<sup>1</sup> but in the past the general evil has been not pressure but misrepresentation of the terms of the contract. Contracts of employment in various colonies are regulated under laws providing for legal penalties in case of non-performance of the conditions of contract by either party. Colonial administrations are aware of the social and economic evils attending ill-regulated recruitment. They may go farther and in theory agree with the opinion of the Committee of Experts on Native Labour of the International Labour Office that the spontaneous offer of labour is the end in view, and that recruitment of labour should be rendered progressively unnecessary by the improvement of labour conditions and of communications, and by the creation of employment exchanges or other suitable organizations for regulating labour movements.<sup>2</sup> In the meantime a considerable advance has been achieved by the adoption, in 1936, of an international convention on recruiting, laying down safeguards for the recruited worker and defining the limits within which recruitment is permissible. Even if ratification is not secured, discussion of the problem by colonial authorities has been useful.

Many States had already, in the interests of their subjects recruited for labour service outside their own territory, insisted on measures defending the workers against exploitation. In the States importing the labour, legislation has also been adopted where foreign labour is employed on a large scale. Bilateral agreements for the protection and regulation of migrant labour have been concluded by India<sup>3</sup> with Malaya and Ceylon; by Portuguese East Africa with the Union of South Africa and Southern Rhodesia; and by Nyasaland with Northern and Southern Rhodesia. These agreements deal with some or all of the following conditions: the maximum number of workers to be recruited; licensing and recruiters' fees; length of contract; remittances of pay to the workers' homes; repatriation; the appointment of protectors of migrant workers in the countries importing the labour, e.g. the Protectors of Indians in Malaya.

<sup>1</sup> See above, under Encouragement to Work, p. 178.

<sup>2</sup> For the exact terms of this conclusion see *The Recruiting of Labour in Colonies and Other Territories with Analogous Labour Conditions* (I.L.O., Geneva, 1935), p. 254, and Orde Browne, *The African Labourer*, chaps. x-xiv.

<sup>3</sup> See Appendix VII.

The emigration of Indians under indenture to Natal and to East Indian and Pacific countries was finally prohibited during and after the War, partly for reasons of national prestige. So long as indentured emigration continued, India, it was thought, was regarded as a reservoir of unskilled labour, and a false impression was given of Indian civilization. The system ceased in Natal, owing partly to South African fears of cheap labour, but persisted in British Guiana until 1921. In the earlier years of indentured labour repatriation was not insisted on as strictly as later, and large Indian minorities were created in Natal and other parts of East Africa, supplemented in East Africa by free immigrants. These minorities created serious administrative difficulties.

Dutch colonies are gradually abolishing penal sanctions. In October 1936 a new ordinance was issued requiring the abolition of penal sanctions in all contracts of re-engagement, the reduction of contracts including such sanctions to two years, and the restriction of the system to agricultural and industrial undertakings.<sup>1</sup> In Java and Madura there is no need for contract labour, but in Sumatra and the other sparsely populated Outer Islands plantation-owners and other employers depend largely on labour from Java and Madura, now in the form of free labour, the recruiting of which is subject to close supervision.

No Javanese coolies may be recruited for labour in foreign countries without the authorization of the Governor-General, which is never given except for Dutch Guiana (Surinam)<sup>2</sup> and certain countries to which there has been a fairly regular flow of Javanese, i.e. Malaya, British Borneo, New Caledonia, and Cochin China. Chinese coolie labour in the Outer Islands is being gradually replaced by Javanese labour, and the Deli tobacco-planters ceased recruitment in China in 1934. Immigrants are usually required to pay a sum of 150 florins, unless they are to be employed under penal sanctions. Consequently the extension of free labour makes imported labour more costly. A penal-sanction contract must contain a provision for free transport of the labourer to the country of origin after the expiration of the contract. In East Sumatra, where plantations are most numerous, and the provision of a permanent labour supply desirable, the Coolie Ordinance of 1931 requires employers to provide contract workers who are married and have been in their service for

<sup>1</sup> For the discussion on the measure see *I.L.I.*, vol. lxi, no. 1, Jan. 4th, 1937, pp. 31-3.

<sup>2</sup> For the strict regulation and supervision of imported labour in Surinam see *I.L.I.*, vol. lvi, Oct. 1935, p. 79.

five years with a family dwelling and a garden; at the end of 1930 nearly 40,000 families were housed in this way.

The system of penal sanctions has been retained in Western Samoa and in New Guinea. Mr. S. H. Roberts expresses the opinion that until the question of free Chinese labour in Samoa and New Guinea is dispassionately considered indenture will continue.<sup>1</sup> A round table group of Australians, after a study of conditions in the Territory, conclude<sup>2</sup> that without the indenture system, which is well regulated, the Territory would apparently lapse into primitive conditions and the government could not be carried on. In their primitive condition the natives are too ill-fed and listless to help themselves.

The future of the South Pacific islands is difficult to forecast. For some years concern has been felt about the rapid decrease of the population of New Ireland, attached to New Guinea Mandated Territory, and for several years parts of the island were closed to recruiting. Unregulated recruiting depopulated the Solomon Islands, and, though recruiting from these islands was stopped in 1910, it is not quite certain that the population is yet on the up-grade. The survival of some Polynesian and Melanesian races appears to depend on the Government inducement to them to work on their own small-holdings, to produce for themselves and in due course for a market. The labour at present employed in the islands is largely Asiatic (including Javanese labour). The racial composition of labour-supply at the lowest point of the depression, in 1933, was as follows:<sup>3</sup>

*British Solomon Islands.* 'The 1935 Report of the Native Labour Department shows that 3,096 labourers were in employment during the year, most of them subject to the minimum wage of £6 per annum.'<sup>4</sup>

*Mandated Territory of Nauru.* 'The labour force required for the mining and exportation of phosphate is provided by Chinese coolies, recruited at

<sup>1</sup> 'Already limited to local uses, and despite its beneficent results in such cases as the far Westerners of Papua or the Buka "boys" of the Solomons, the system is but a survival of a past age. It is a tottering relic of the age when the native was deemed to be "plantation fodder" for the white exploiter, and is as inapplicable to the problems of the New Pacific as the "culture" system of Van den Bosch, based on a similar idea of exploitation, would be to the Java of to-day. But, because the indenture system has had no exposal such as Multatuli's Max Havelaar provided for the "culture" system, and because the alternative of Asiatic labour—the *only* alternative—will not be dispassionately considered, indenture still lingers on.' (S. H. Roberts, *Population Problems of the Pacific*, p. 212.)

<sup>2</sup> *The Australian Mandate for New Guinea*, Record of Round Table Discussion, p. 130.

<sup>3</sup> This information is taken mainly from the I.L.O. Report on *Recruiting of Labour*, already cited.

<sup>4</sup> See *I.L.I.*, vol. lix, no. 6, Aug. 10th, 1936.

Hong Kong under three-year contracts. On 31st December, 1933, 931 were in employment.'

'Nauruans may not be recruited for employment abroad, and in Nauru the only employment they engage upon is of a casual nature.'<sup>1</sup>

*Mandated Territory of Western Samoa.* 'Plantation requirements are largely met by imported labour, mainly Chinese, who are recruited in Hong Kong under three-year contracts by the Administration of Western Samoa. On 31st March, 1933, 636 Chinese labourers were in employment. In addition, there were 119 Melanesian labourers, although there is now no recruiting of Melanesians.'<sup>2</sup>

*Gilbert and Ellice Islands.* 'On Ocean Island, the British Phosphate Commissioners employ some 60 Europeans, 550 Gilbertese and 370 Chinese. The Gilbertese labourers are recruited for eighteen months, and about a third of them are accompanied by their wives and children. The Chinese are engaged from Hong Kong under three-year contracts; they are not accompanied by women. On three of the copra-producing islands there is no indigenous population; on two of them about 250 natives are employed under three-year contracts, renewable for a fourth year; on the third, Tahitian labour is employed.'<sup>3</sup>

*New Hebrides.* 'At the end of 1932, there were 1,813 Tonkinese and 42 Javanese coolies under contract to French settlers. The proportion of casual or non-contract native labourers as compared with contract natives employed by British settlers is about two to one, and by French settlers about four to one.'<sup>4</sup>

*New Caledonia.* 'At the census of 1931, the population of New Caledonia included 28,502 natives and 11,448 coloured immigrants. These latter were composed of Indo-Chinese and Javanese employed in agricultural, industrial and mining undertakings.'<sup>5</sup>

'French legislation for immigrant labour in New Caledonia<sup>6</sup> provides that contract labourers must be repatriated within six months of the expiry of the contract, but that an immigrant who has given proof of good behaviour and has completed a minimum contract of five years may be permitted to reside freely in the colony if he so desires.'<sup>7</sup>

*Pacific Islands under Japanese Mandate.* 'In the three census years 1920, 1925 and 1930, the native population as a whole showed a slight increase from 48,505 to 48,798 and to 49,695. In the same periods the Japanese population increased from 3,671 to 7,430 and to 19,835. On the Island of Yap, the native population fell from 8,338 in 1920 to 6,486 in 1930.' About 400 natives were employed in the Angaur phosphate mines.<sup>8</sup>

The migration of free workers (not under sanctions) created difficulties, mitigated in recent years by close supervision and sometimes

<sup>1</sup> Report on *Recruiting of Labour*, p. 58.

<sup>2</sup> Ibid., p. 60.

<sup>4</sup> Ibid., p. 61.

<sup>6</sup> Decree of Dec. 24th, 1935.

<sup>8</sup> I.L.O., Report on *Recruiting of Labour*, p. 89.

<sup>3</sup> Ibid., p. 59.

<sup>5</sup> Ibid., p. 79.

<sup>7</sup> I.L.I., June 15th, 1936, p. 351.

by special agreements between the country supplying the labour and the colony in which it is employed. Ceylon and Malaya have long had official 'protectors' of Indian immigrant labour.<sup>1</sup>

In Malaya in 1932 foreign labour on estates and mines employing ten or more persons was: 105,070 Chinese, 177,927 Indians, 33,042 Javanese or others. Malayan labour laws require the provision of a garden plot for each labourer of six months' standing who has dependants. Indian immigration is not based on the family principle to the same extent as in Ceylon, though any attempt to force separation of men from their families is an offence. Much permanent Chinese settlement in Malaya has been by labourers who saved enough from their earnings to buy land, and settlement of this kind is likely to increase, now that Chinese labourers often bring their wives with them in the first instance. In 1931 there was already a Chinese population of 1,709,392 in Malaya (out of a total population of 4,385,346), and the Chinese will in time encroach on land required for the Malays themselves.

In tropical Africa the disadvantages of migrant labour are being reduced by imposing on the recruiter or the employer's agent rules with regard to the contract, by placing on the employer the onus of repatriation, by arranging for the safe transfer of the worker's earnings, and by the provision of proper transport, of rest-camps, and other facilities. Even if the dangers by the way, to which the raw native travelling alone is subjected, may be avoided in this way, differences of altitude, of climate and food, and exposure to infection may have serious effects on the health of migrant workers.<sup>2</sup> In southern Africa the recruiting of labour is so costly, and mortality has been so serious, that the mines now make every effort to secure good conditions and keep as close a watch on the men as is compatible with freedom; they also insist on medical inspection, and try the new-comers out on light work with good food until they have become accustomed to the new conditions. The Tanganyika report for 1935 (p. 87) states that many natives arrive for work at the Lupa gold-fields in a somewhat debilitated condition, due to long marches from their homes. Camps have been set up in the neighbourhood to allow them to recuperate before starting work. But no effort by the employers can prevent the shock of sudden contact with an entirely

<sup>1</sup> See Appendix XI.

<sup>2</sup> Dr. Cazanove (*Essai de Démographie des colonies françaises*, cited by J. Goudal, *Destin de l'Afrique*) notes among the most important causes of general mortality the expatriation of natives transported from one environment to another for public works: imprudences of this kind have not been rare in French West and Equatorial Africa and in Madagascar.

different kind of life, and of the uprooting of old loyalties and the taboos of native life.<sup>1</sup>

In Belgian Congo strict rules are laid down for the proportion of adult males who may be absent at any one time;<sup>2</sup> the amount of permitted recruiting has been reduced in many colonies, and periodical closing of certain areas to recruiting is increasingly practised. The permitted figures for French Equatorial Africa show a remarkable decline. Where there is no organized recruiting there may still be a considerable exodus of labour. There is little recruiting in Northern Rhodesia, but it was estimated in 1935 that 49,000 natives were working outside the territory, and in Nyasaland recruiting has only been permitted since the recent report on the excessive numbers going abroad, and then with a view to prevention.

The dangers and disadvantages of recruiting (or of large movements of workers on their own account) for work in distant places may be summed up as follows:

1. The possibility of draining off so many adult males that the village birth-rate declines and the cultivated area decreases.
2. The danger to morals involved in the transfer of young men to mining centres and other camps, from villages where they have been subject to the discipline of the tribe and the family.
3. The danger of their forming new connexions and therefore not returning to their wives at home, and sometimes the loss of their pay and savings so that they are ashamed to return home empty-handed.
4. The possibility that on their return they will find the village conventions and restrictions galling and will create a disgruntled element in village life.
5. Change of climate and environment, of occupation, and of diet may lead to excessive mortality.
6. They may spread disease in their wanderings or bring it back to the village.

On the other hand, there are many great advantages in employ-

<sup>1</sup> See the two papers read before the International Colonial Institute in 1936: Orde Browne, *The Condition of Native Communities in or near European Centres*, and Pierre Charles, S.J., *Le Problème des Centres extra-coutumiers et quelques-uns de ses aspects* (Brussels, 1936).

<sup>2</sup> In opening the session of the Governing Council at Léopoldville on July 11th, 1935, the Governor-General said that an appropriate distribution of the liability to supply labour did not mean taking a flat percentage from every source; the question was not whether the load was heavy but whether it could be borne, and that depended as much on the bearer as on the load (*I.L.I.*, vol. lvi, Oct. 1935, p. 77).



ment through organized recruiting to work on well-managed enterprises:

1. The men are put through a medical inspection to which they would not otherwise be submitted (unless they are in a country where military service is compulsory). This provides the health authority with much necessary knowledge and gives opportunity for treatment of the individual.
2. The sums remitted or brought home enrich the poorest communities. The returned labourer also brings home a certain knowledge of sanitary requirements and housing, and perhaps some ideas about water-supplies and rudimentary notions of hygiene. These notions will probably appear revolutionary in the village, and may be discarded. On the other hand, they may bear some fruit.
3. Plantation labourers bring back new ideas on agriculture. They frequently bring back seeds of plants which they try out in their own gardens.
4. Adventurous young men satisfy their desire to see the world.

Organized recruiting may be better than free movement of labourers from one area to another, because it is possible to exercise close supervision over organized recruiting, but not over voluntary migrants.

The main precautions required where recruitment is permitted appear to be:

1. The levelling up of conditions of recruitment and employment of recruits to the example of the best existing conditions, and safeguards for men going to and from work.
2. The avoidance of excessive recruiting, which leads to the destruction of the village economy and a serious demoralization of the people.
3. Full recognition of the difficulties of the impact of Western industrialized production on tribal societies.

The first two precautions can be achieved by concerted endeavour. The last raises the far more difficult question of the reabsorption in tribal life of young men who have spent long periods in alien environments with other codes of law and morals.<sup>1</sup>

#### *x. Planning of Labour Requirements in Africa*

The information required for a reasonable allocation of labour-supply is often lacking. The obvious requirements are:

1. An effective census kept up to date, with much fuller statistics

<sup>1</sup> See also Chapter XII, section vi.

- on the age-composition of the population: which can only be effective when registration of births and deaths is established.
2. A survey of the agricultural and other resources of the colony, and of available employment and available labour in each area.<sup>1</sup>
  3. A survey of the means of communication and the possibilities of marketing from each area.

When these fundamental data are known it will be possible to decide whether there is sufficient fertile land to make the community in any district independent; whether more land could be provided by irrigation, by clearing of insect pests, or other methods; how many men can be spared from the village permanently or at certain seasons of the year, and what the effects of absence are likely to be on vital statistics. If it is decided that wage-earning is a desirable or even necessary adjunct to the local resources and that a certain number of men may safely be recruited, it still remains to be considered whether, without preliminary preparation, they are fit by temperament and physique for wage-earning at a distance, and for what kind of wage-earning. Some populations adapt themselves much more readily than others to alien conditions—the Chinese coolie is one of the most adaptable beings in the world. In Africa there is a great difference in the effect of recruitment on the home life of villagers living under their own institutions and of villagers already detribalized.

<sup>1</sup> The growth of recruiting in an area may have most important effects on the local vital statistics, especially the birth-rate, and failure to take this into account not only vitiates the value of the conclusions but renders the supporting statistics dangerously misleading (Orde-Browne, *The African Labourer*, pp. 126-7). In the *Journal of the Royal Society of Arts*, Apr. 7th, 1933, vol. lxxxi, no. 4194, the same author points out that the information should include data on infantile mortality and the fertility of the tribe, the effect of the work-seeking exodus on the women, and the effect of improved diet abroad on the returned workers.

A map showing with reasonable precision the distribution of the native population in Tanganyika territory has been prepared by Mr. Clement Gillman (see *The Geographical Review*, American Geographical Society of New York, July 1936), on material supplied by the Provincial Commissioners. This population map shows the density of population, the land alienated to non-natives, forest reserves, anti-sleeping-sickness concentrations, townships, railways, and main roads. Tables are given showing the figures on which the population map is based. Aerial photographs depict different districts, showing typical cultivations and typical deserted areas. For the basic data of population distribution, district officers were asked to provide details of population taken from the most recent census, or from the tax-assessment roll, whichever is considered to give more accurate data. 'In the latter case, it will be necessary to multiply the number of taxpayers with the coefficient customary in the district and which usually varies between 3.0 and 3.5. The units dealt with should be the smallest available and especially in the more densely populated areas.' The relative reliability of different parts of the map depends on personal factors, the degree of experience, &c., of the officers concerned.

Where a community is advanced enough to look after its own interests, administrators will be chary of offering advice, much more of pressing it. But in primitive communities the recruiter or intending employer himself represents a degree of pressure by virtue of his standing, and the administration must be prepared to advise and to prevent undue exodus, adjudicating between the claims of village life and outside employment.

The movement of whole villages and communities to other areas, as in French West and Equatorial Africa, requires still more careful consideration. The French scheme for the irrigation of the Niger Valley envisages the transfer of blocks of Sudanese populations to the newly irrigated area. The emigrants will leave a village life of extreme poverty, but with a certain degree of independence, to become tenants in the new area under foreign supervision.<sup>1</sup> Similarly there have been transplantations of population in Madagascar to meet the needs of European enterprise. The new villages of detribalized natives in Belgian Congo form another instance.

Transfer from fly-infested or arid country is definitely in the interests of the native; an early example of wholesale removal for health purposes was the shifting of the whole population of the islands in Victoria Nyanza because the people were dying of sleeping-sickness. The transfers are justifiable if solely in the interests of the subject population; they are far harder to defend when the change is made to provide labour for foreign enterprise.

The Union Minière of Katanga, drawing labour from different tribes in Belgian Congo and from neighbouring countries, has secured the stabilization of its labour force by inducing its employees to bring their wives and families, and by providing standard brick and cement dwellings. Official regulations make the provision of food for the miners obligatory. The existence of a population of households derived from different tribes and areas raises social, legal, health and educational problems. The experiment has been in progress for ten years, but it is too early to say what will be the eventual form of a village or a town constituted of detribalized family units.<sup>2</sup> The Belgian administration are giving much thought to the various problems involved, the question of language and of an appropriate legal system.

In Tanganyika, where alienation on a considerable scale, with

<sup>1</sup> For French comments see Goudal, *Destin d'Afrique*, pp. 77-8.

<sup>2</sup> For a discussion of the problems of this and other agglomerations of detribalized natives, see Pierre Charles, S.J., *Le Problème des Centres extra-coutumiers*, pp. 71 et seq.

consequent demand for labour, had taken place before the mandatory Power took over the administration, the position was carefully surveyed by a Labour Department created in 1926, and abandoned in 1931, apparently for administrative reasons. Labour formerly brought from a distance was found near at hand, and where this was impossible it was secured from areas accessible by rail or road, with adequate camp arrangements for the labourers *en route*. The survey of tribal conditions made it possible to avoid too great changes in climatic and dietary conditions, and close supervision was maintained on labour contracts. The labour problem in Tanganyika may well again become acute with the accelerated development of European enterprise, now that the depression is past. The Report for 1935 urges the need to organize labour resources to meet the increased demands of sisal and coffee estates, the anticipated demands of the gold-mining industry, and to maintain or increase the output of cotton, rice, grain, coffee, ground-nuts and other products of native farming.<sup>1</sup> The Report states that the revival in prices and trade and the competition of higher wages in the gold industry are raising new difficulties, and a special committee was appointed early in 1936 to consider how best to correlate labour supply and demand, in accordance with the best interests of the territory.<sup>2</sup>

In Belgian Congo there has been a detailed economic and sociological survey with the idea of securing development on rational lines. Grave fear of exhaustion of the labour-supply led to the appointment of two commissions in 1924 and 1928.<sup>3</sup> They recommended for each region the adoption of a programme of development possible with the labour available, various safeguards against excessive recruitment, and the introduction of labour-saving machinery. They concluded that recruitment should not exceed 5 per cent. of the adult population for distant service, 5 per cent. for employment within easy distance (say two days' march), and 15 per cent. for local employment. Unless village economy is secure the reservoir of population essential to the development of the colony as a whole cannot be extended or even maintained. Therefore development of natural resources must not be allowed to advance faster than human resources.<sup>4</sup>

<sup>1</sup> Col. no. 113 of 1936, p. 25.

<sup>2</sup> *Ibid.*, p. 82.

<sup>3</sup> Figures drawn from special inquiries, limited to groups covering in all some quarter of a million inhabitants, indicated that natural increase was a minus quantity in the provinces of Léopoldville, Stanleyville, Elisabethville, and Lusambo. See *Y.B.C.O.D.*, 1935, vol. ii, p. 36.

<sup>4</sup> Authorization of recruitment in Equatorial Africa has been steadily reduced in view of the effects of excessive demands on the population. The figures are shown by Dr. Mair, *Native Policies in Africa*, p. 216.

M. Octave Louwers,<sup>1</sup> in discussing a speech made by the present King of the Belgians when he was Duke of Brabant, shows the special difficulties of the administration of Belgian Congo, due to the errors of past policy. M. Louwers's analysis of the situation shows that when a wrong turning has been given to economic development no simple reversal of policy is possible. A situation has been created in which vested interests have been acquired, the natives' manner of life has been changed, and a policy practicable before these developments may no longer be applicable. Temporary compromises not in themselves desirable may be imposed by circumstances. In 1930<sup>2</sup> about 400,000 natives, or about 16 per cent. of the able-bodied male population, were employed by European enterprises. The calculation excludes cotton-growers, who are peasant farmers in status. M. Louwers concludes that:

'the colony exhausts its resources in artificially maintaining enterprises which leave little real wealth in the country. Production goes on, but the small profits, when there are any, go to pay the interest (and that at a low rate) on capital to investors outside the colony. The mass of the people receive inadequate remuneration. They cannot enrich themselves nor raise to any considerable degree their standard of living. They remain poor, without benefiting the State, which cannot demand substantial contribution from them, or the national trade, for which they provide no serious market.'

Neither the Duke of Brabant in his speech, in insisting on the paramount importance of conserving native life, nor M. Louwers in his comment, denies the importance of outside capital for the development of the colony. The criticism is directed to the lack of balance; it insists on the primary need of maintaining a contented population in the main attached to the soil and producing adequate food-supplies for themselves.

The solution of a difficulty of primary importance throughout tropical Africa is by no means simple. Without considerable production for export the high costs of good administration cannot be met.<sup>3</sup> On the other hand, the populations in many areas have little stamina

<sup>1</sup> *Notre politique coloniale* (Brussels, n.d.).

<sup>2</sup> The depression brought down the numbers employed to 326,333.

<sup>3</sup> 'It is evident', says M. Moeller (IV<sup>e</sup> Congrès Colonial Belge, *Comptes Rendus*, Brussels, 1935, p. 76), 'that the trade balance of the colony demands the export of the product of a large part of native labour; otherwise Congo economy could not pay for the imports necessary for its development, for the amelioration of native life, and for labour-saving equipment. The natives should export more than ever now that the imports financed by colonial societies and State loans have practically ceased, while arrears of payment on past loans constitute a charge on colonial economy.'

because of inadequate nutrition, and the only way of improving the stamina and thus encouraging the growth of population is the production of more food for local consumption.

The situation varies from territory to territory, and even from place to place in the same territory, and from year to year with changes in the economic position. It can be and is modified by administrative action. The advisability of native production of export crops depends on the existence of a suitable site or on adequate transport facilities. If transport is inadequate, wage-paid labour is the alternative method of securing the means wherewith to pay taxes and purchase necessities from outside. Where plantation and other work is available within easy distance the matter is comparatively simple. Again, where local food-resources are insufficient owing to the poverty of the land, overcrowding or other adverse conditions, the absence of some of the able-bodied males on wage employment may mean (provided enough remain for heavy work) more food for the women and children. Much depends on local conditions and on the wages, rations, and accommodation provided by employers.

The maintenance of the proper balance between the production of subsistence crops, cash crops, and wage-earning exacts from the administration foresight and a more accurate knowledge of demographic and general economic conditions than is usually available.<sup>1</sup> When the necessary surveys have been made it may be possible to lay down general principles for the development of each area and to discountenance too sudden changes of policy.

<sup>1</sup> For the kind of information needed see Orde-Browne, *The African Labourer*, pp. 123-8. A useful contribution to the literature of the subject is the Merle Davis Inquiry into conditions in Northern Rhodesia, already cited.

## CHAPTER XI

### DEVELOPMENT OF THE COMMUNITY

Preventive medicine—organization of native medical services—philosophies underlying educational systems—language question in education—objects of education—mission schools—investment—development of local industries—creation of local capital—co-operation—regional interests—federation or amalgamation of existing units—regional co-operation for railways, &c.—summary.

A POLICY of political education of colonial communities to fit them for autonomy and perhaps for ultimate independence is of doubtful usefulness unless there is a simultaneous development in other departments of administration. The development of the wealth of the country must march step by step with the progress of self-government, since no country can be politically independent if it has to be subsidized. The question, therefore, has to be considered how colonial wealth may be built up, and whether present colonial systems are favourable to such development. One of the most important problems, the proper balance between production for local consumption and wage-labour mainly for production for export, has been discussed in the three preceding chapters. The improvement of nutrition and the development of a wise labour policy are fundamental requirements. Some other administrative and economic problems must be briefly considered.

#### *i. Health Services*

The extension and improvement of health services is urgently needed. The prevalence of disease in tropical countries and high mortality statistics (imperfect though they are) indicate the gravity of the situation.<sup>1</sup> Native medical practice and methods of hygiene have been discredited or have become impracticable, but adequate European substitutes have not everywhere been provided. Native hygiene in primitive Africa included the periodical burning of huts and the removal of villages to new sites. As soon as European notions of settlement and individual ownership of land begin to be accepted, this method, possible only when there is surplus land available, becomes impracticable. Moreover, systems of hygiene adequate for village life are no longer adequate in towns or in cantonments where mass labour is stationed. The change to European methods is difficult. Sexual custom also presents problems, and some practices generally condemned by modern science cannot always be prohibited,

<sup>1</sup> See Chapter VIII, section iii.

since prohibition may merely drive the practices underground and lead to the performance of the native rites and cures in circumstances worse than they would otherwise be. Changes in racial practices can be secured only by the slow methods of education. Infant mortality can no doubt be decreased by the training of native midwives, the multiplication of welfare centres, and education in better feeding. But these innovations, even when there is the money and the personnel to provide for them, make slow progress against native ways of thinking.<sup>1</sup> Meanwhile, unsuitable feeding, malaria, worms, and various infections kill off many children.

The Jeanes schools established here and there in east Africa give instruction in the affairs of everyday life and in mutual aid, and do something to spread notions of health and hygiene, by sending out instructors qualified to advise on the layout of villages, the provision of fly-proof latrines, and the protection of water-supply, &c.

Medical care and treatment, in non-urban areas in Africa, was for a long time mainly undertaken by missions. The importance of ordinary hospital work and the care of the sick needs no insistence, but preventive measures are even more important. The difficulties under which health work is carried out are described in the records of missions in the South Seas and in Africa. A War and post-War account<sup>2</sup> of the building up of a hospital at Lambarene in French Equatorial Africa, by Dr. Schweitzer, is illuminating. Dr. Schweitzer was in a better position than earlier missionaries, because he had behind him the knowledge of tropical diseases accumulated in the last forty years, but the obstacles he had to overcome were enormous. The discoveries of Manson, Ross and Castellani, and the establishment of the London and Liverpool Schools of Tropical Medicine, formed the point of departure for modern health services in tropical countries. Colonial administrations, unable to provide enough doctors and hospital accommodation for countless patients, are turning more and more to preventive measures against malaria, hookworm, sleeping-sickness and other tropical scourges. In spite of the progress in public health administration during the last twenty years, the Report of the Colonial Office Conference (1930) states that in some parts of the British Colonial Empire practice lags far behind scientific knowledge. The deficiencies are attributed mainly to the continuance of unhealthy physical conditions such as mosquito-infested areas, insanitary dwellings, inadequate water-supplies, insanitary habits and customs, and an insufficient supply of local men and women trained in the technical

<sup>1</sup> Thurnwald, *Black and White in East Africa*, p. 165.

<sup>2</sup> *On the Edge of the Primeval Forest and More Records*.



work of the medical services and capable of acting as fully qualified doctors or medical assistants among their own people. Social customs are not infrequently detrimental to the progress of hygiene.<sup>1</sup>

Dr. Calmette, of the Pasteur Institute in Paris, argues that in the present state of the health of populations in tropical colonies priority must be given to preventive medicine and to the organization of a few hospitals well equipped for research and for the training of native assistants. He writes:

‘There should be in each large colony only one hospital centre, in the capital, and in this hospital centre should be assembled the best physicians and surgeons, with specialists in every branch of medicine, to ensure the most efficacious treatment. This single hospital centre should possess an accoucheur, ophthalmologist, oto-rhino-laryngologist, neurologist, stomatologist, and it must serve as a centre for training auxiliary native doctors, where the greatest possible number of young natives will be instructed and sufficiently educated in the essential principles necessary to enable them to be valuable and desirable assistants, in particular in the practice of preventive medicine. Besides this great central hospital in the capital, there should be a Pasteur Institute. These already exist in many of our great colonies. There are three in Indo-China, one in Saïgon, one at Nha-Tang and one at Hanoi, two in West Africa, Dakar and Kindia, one at Brazzaville in Equatorial Africa. To-morrow there will be one at Tananarivo, for the Governor-General, M. Olivier, is at present arranging with the Paris Pasteur Institute for the creation of this establishment. In other smaller colonies there are secondary laboratories, sufficing for the practice of prophylaxis against contagious diseases. These Pasteur Institutes have many functions. In the first place they are useful in tracking and diagnosing contagious diseases, in preparing serum, curative and preventive vaccines for those diseases. They also provide the Governor and the head of the local medical service with all the information and technical advice which they need. . . .

‘In the other parts of the colonies all the hospitals can be dispensed with, because we shall never have sufficient resources to equip them properly, to install the machinery of radiology, X-rays, mecanotherapy, which are now indispensable, and we shall never have the medical personnel necessary to staff them. On the other hand, the colony should be divided into medical areas, and in the capital of each a French doctor should be installed, with a dispensary which we can call “polyvalent”, that is to say, for the practice of prophylaxis and the tracking of all the diseases which can be treated on the spot—for example, the tracking of tuber-

<sup>1</sup> *Report of the Colonial Office Conference, 1930, p. 68, pars. 4, 5, 6, 8.* The percentage of total expenditure spent on social services for each British colony is shown in the Economic Survey of the British Empire, but expenditure on health is not separated out, and must be looked for in the more detailed statements in the annual reports for individual colonies.

culosis, syphilis, malaria, and leprosy patients with a view to their eventual isolation and treatment.

'In addition to this polyvalent dispensary, we should propose a small native infirmary such as Marshal Lyautey created in Morocco, with such success. This small infirmary would permit the physicians to keep under observation interesting patients and to carry out small urgent operations. In other places we should create, where they would be useful for the natives, a network of mobile sanitary posts, each controlled by an auxiliary native doctor suitably qualified to act under the orders of the district medical officer. This native auxiliary would be assisted by two or three men or women native nurses, whose function would not consist in tending the sick, but in finding them out wherever they were, notifying them to the district office and sending them there if there is room, and especially in carrying out prophylaxis against contagious diseases, small-pox, tuberculosis, typhoid fever, dysentery, &c. They would be instructed in giving vaccinations. In this way, these medical agents would render immense service to their fellows, their essential mission being to educate them in matters of hygiene, an education which cannot be done by Europeans. . . .'<sup>1</sup>

However important these principles are from the long-term point of view, colonial administrations cannot concentrate all their efforts on purely preventive measures. The system adopted in French West Africa represents an attempt to reconcile the two demands on the health services: prevention and research on the one hand, and the cure of the sick on the other.

In 1934 the Governor stated that:

'From January 1935 onwards, each department will be a health district, having a chief medical officer, who will have under his control all the means of treatment and prevention of disease and will be responsible to the inspector-general of the health services for all the health services throughout the department. He will have under his orders a varying number of itinerant doctors. The lower ranks of the service will be composed of European non-commissioned officers belonging to the colonial military nursing section, who have reached a certain stage of specialization in the prevention of sleeping-sickness, and of native hospital attendants.

'Each health district will comprise:

- (a) An easily accessible central organization, properly equipped for medical treatment and first aid, and with maternity centres and provisions for isolating the contagious and the insane.
- (b) Subordinate organizations with medical stations, dispensaries, and centres for the treatment of leprosy and sleeping-sickness. These subordinate organizations will be primarily centres for concentration with treatment. Their functions as hospitals will be reduced as far as possible so as not to immobilize the doctors, who should be, as

<sup>1</sup> *L'Empire coloniale française* (Paris, 1929).

often as possible, on circuit. Means for the rapid transfer of patients will be put at their disposal. Patients for hospital treatment and for operations will be sent to the central organization.

'In the meantime, the apparent activity of the dispensaries has varied little: 1,623,509 patients in 1933; 1,586,027 in 1932. But the real results are very different. The year 1933, in fact, marked the beginning of a new departure in native medical assistance, which had until then borne an essentially urban character. Apart from the circuits for the purpose of vaccination, the native of the bush or the forest had only rare contacts with our health organization. Last year there was inaugurated a system of periodical medical circuits which put our doctors in touch with a crowd of natives whom we had previously no means of reaching. The doctor, assisted by the hospital attendant, a midwife, and a visiting nurse, goes on a fixed day to a meeting-place chosen for its economic or political importance. . . . In their first year these mobile medical units received 606,000 patients and gave 1,244,000 consultations. If one remembers that the dispensaries during the same period gave 6,600,000 consultations and received 1,623,000 patients, it is clear that the employment of these mobile units has produced an increase of nearly 37 per cent. in the clientele of the native medical assistance. The total number of patients represents between one-sixth and one-seventh of the total population of the federation.'<sup>1</sup>

In British dependencies steps are being taken to train African dispensers and learners to give simple medical and surgical aid. In Tanganyika the more advanced students are enabled by government grants to enter the medical school at Mulago in Uganda. The lowest grade of independent medical unit in the Territory consists of the tribal dressers, maintained by the native administrations, and a training centre for raising them to higher standards has been constructed in connexion with the Mwanza and Tabora hospitals, where dressers receive eighteen months' instruction. The local dispensaries now being spread throughout Tanganyika under the charge of trained Africans are proving of the greatest value. Cases treated in them number over 400,000 a year.

A series of tuberculin tests carried out in Tanganyika showed that infection was widespread, but that resistance was considerable, though cases of overt disease were more acute than in Europe. Concentration on freeing districts of tsetse-fly was the main line of attack against sleeping-sickness; an anti-malarial drainage scheme for Dar-es-Salaam was submitted in 1934, and the malaria research

<sup>1</sup> *Y.B.C.C.D.*, 1934, vol. ii, p. 328. A full account of health services in French overseas territories is given in the *Rapports généraux* of the Conférence économique de la France métropolitaine et d'outremer, 1935, vol. ii, pp. 338-439.

officer carried out investigations in other malarial areas with a view to drainage and other operations. Pamphlets on malaria, blackwater fever and camp hygiene were distributed to interested bodies. This kind of preventive work is required in most colonial countries, especially against malaria, the most obstinate of tropical diseases and a primary cause of general enfeeblement of the population.

The medical services of the four British East African territories are unified, so that provision for research and training can be centralized for the main tropical diseases. The European personnel is strengthened by a corps of native assistants, trained to carry out the simpler preventive services.

Important suggestions for the improvement of health services in the British Colonial Empire were made in the Report of the Colonial Office Conference, 1930,<sup>1</sup> among them for a contribution from the Colonial Development Fund, not for subsidizing the ordinary services and the establishment of health centres, but for certain specified purposes, on the lines of the Health Units of Kalutara, Makara, and other places in Ceylon and of the work of the International Health Division of the Rockefeller Foundation in Jamaica. Taking the colonial world as a whole, the Report concluded that the greatest difficulty was the inadequacy of the funds available for medical services proper and for costly ancillary services such as housing, drainage and water-supply. The Report states that in the British Colonial Empire there are 60 separate government medical departments employing about 2,000 medical officers, of whom about one-half are Europeans. Included in this total are 55 qualified medical women, nearly all Europeans. About 850 trained nursing sisters and health visitors are employed, most of whom are Europeans. In addition there are large numbers of subordinate personnel, sanitary inspectors, medical assistants and dressers, most of whom are non-Europeans.

British Government expenditure from current revenues on medical, public health and medical and research services amounted in 1929 to £6,211,000; in 1909 it was only £1,149,000. In addition there is considerable expenditure by municipalities, missionary societies and welfare leagues. The total annual public expenditure on medical and public health services in the Colonial Empire now approaches £8,000,000, not a high figure in relation to the needs. Government expenditure on these services averages about 10 per cent. of total revenue, varying from 6 to 8 per cent. in the more wealthy colonies to 15 or 20 per cent. in the poorer colonies.<sup>2</sup>

<sup>1</sup> Cmd. 3628 of 1930.

<sup>2</sup> Ibid., p. 68, pars. 4, 5, 6.

The colonial country which has established the most remarkable record in the growth of population is Java, where the Government have insisted for generations on a high standard of cleanliness and of sanitary precautions in villages and towns. The Dutch, it is true, have to deal with a better-educated population than African colonial Powers, and they have built up a service of fully qualified native doctors. In addition they have native assistants qualified for certain services. A special research bureau on malaria works in close touch with the sanitation service of the Public Health Department. The people are being gradually educated in the use of mosquito netting, which is provided at a low price. By drainage, filling up pools and the use of larvicides malaria has been reduced. In one area the death-rate is said to have been halved in five years. Rigorous control of drinking-water, public markets and slaughtering-places has reduced the toll of intestinal disease. The Javanese have come to accept Western methods of combating disease, and, during a slight epidemic of plague at Batavia in 1927, no less than 235,611 people out of a total population of 365,000 came up voluntarily for inoculation.

## ii. *Education*

Success in the health services, as in many other departments of life, is bound up with education.

Divergencies between the underlying philosophies of colonial Powers are reflected in the educational systems adopted. Mr. Raymond Buell<sup>1</sup> gives a rather unkind account of French and British educational systems in Africa, which has elements of truth but presents an exaggerated picture. He maintains that both believe their own culture is the best possible, but that, unlike the proselytizing Frenchman, the Englishman does not thrust his own culture on the African because conviction of its superiority makes him think the African incapable of absorbing it.

'As far as government policy is concerned, the British in Africa follow a policy of cultural and political self-determination, in contrast to the French who until recently, at least, have followed a policy of cultural "imperialism"—that is, the wholesale attempt to impose an outside culture upon another people.'

Neither British nor French practice is fairly described in this criticism, but it is true that French administrations have laid stress on teaching in French, and the British on teaching in the vernacular.

An Italian professor of colonial law, Professor A. Malvezzi de'

<sup>1</sup> *The Native Problem in Africa*, vol. ii, p. 77.

Medici,<sup>1</sup> says that Italy, which follows neither the assimilation policy of France nor the decentralizing policy of England, maintains an 'absolute and rigorous political hold on her colonial populations'; she does not admit local autonomy and divisions of power as the English do, but she is more tolerant of local usage and culture than France. Italy believes that the assimilation of Italian culture is desirable, but that it can only be gradual, 'while absolute cultural equality' would breed aspirations and pretensions incompatible with the true situation.

In fact no one educational policy is pursued throughout any Empire; there must be adaptations to local conditions, and the most striking change in recent years is the movement everywhere towards closer adaptation and a keener sense of local requirements.

In older colonies, educational problems have some resemblance to those of the metropolitan country. Martinique, Guadeloupe, French Guiana and Réunion, for instance, are proud to be regarded as assimilated to France, and for generations the schoolchildren have lisped the same lessons as their opposite numbers in Tours or Avignon. In the words of M. Paul Grouzet, Inspector-Councillor of Public Instruction in the French Ministry of Colonies, 'the black or creole pupils have always recited, still recite and want to recite: "The Gauls, our ancestors, had blue eyes"',<sup>2</sup> so that a proposal to formulate a special curriculum adapted to the needs of these coloured folk raised an outcry on the score of racial discrimination. Nor is this predilection for transplanting the home-grown type of education a specifically French weakness. In the British West Indies, for instance, the same tendency exists, as it does wherever there is an approximation to European standards.

In Eastern countries also the problem of the medium of instruction is serious, since education in the vernacular alone limits the possibilities of secondary and university education. Both in Asia and in Africa a main difficulty is the diversity and meagre vocabulary of vernaculars. It is hard to reconcile the claims on revenue of mass vernacular education with the claims of an intellectual minority, to whom knowledge of a European language is necessary. Sometimes there is difficulty in reconciling the political claims of the vernacular with the political and commercial claims of the language of the colonizing Power. These factors are interrelated. It is not only the 'spiritual proselytism' of France that has led to the adoption of French

<sup>1</sup> *Educational Year Book, 1931* (New York, Columbia University Press, 1932), pp. 648-9.

<sup>2</sup> 'Education in French Colonies', in *Educational Year Book, 1931*.

as the medium of instruction in French Equatorial Africa, Cameroons, Togo and the Somali coast, but the number of meagre dialects and the need of a lingua franca as a basis of co-operation between the natives and the French and even among the various native tribes. Similar considerations led to the adoption of English for elementary as well as secondary instruction in the Philippines, by the American administration, who were prepared to spend large sums on schools. In parts of British East Africa instruction in elementary schools, for children under fourteen, is given in Swahili, a widely understood Bantu language, which forms a useful means of communication and is sufficiently developed to allow of the preparation of text-books. Nevertheless, Swahili is the vernacular of few, and a French administrator would probably say that, if the child cannot be taught in his own vernacular, he may as well learn a European language. In Belgian Congo there are four native languages so widely understood that they may be used as media of instruction.

Nations which from Imperial or cultural motives are anxious to spread their own language may find it impracticable. In Tahiti instruction in French failed to make the use of that language general, and was dropped in favour of instruction in Tahitian, French being taught only as an additional language. In French India primary instruction is given in Tamil in Pondicherry, in Bengali in Chander-nagore, in Tamil and Arabic in Yanaon, and in Malayalam in Mahé: English as well as French is a secondary language, but, old as these possessions are, French is hardly spoken at all. In Indo-China primary education is in Annamite, Cambodian and Laotian; the next stage, reached by only one-eighth as many children, is the Franco-native school, where the mother tongue is still studied but French is the medium of instruction. In Madagascar a larger place is given to Malagasy, though French is taught as a medium of interpretation between European and native, and the young Malagasy receives in effect bilingual instruction.

An area where the language difficulty is great, but not so great as in the Philippines, is Malaya. Malay is the language of the local inhabitants and the lingua franca of ports and towns, where, however, it is being gradually ousted by English; but commerce is conducted in English, several Chinese dialects and several Indian languages. Obviously the Government had to provide elementary Malay schools for the Malays, and English schools for advanced instruction for all races. They felt it also right and politic to provide elementary instruction in the one Indian language, Tamil, which was spoken by sufficient local Indians to make such expenditure economic. Indians

are British subjects, but Chinese, Japanese and Javanese had no such qualification to demand instruction in their own language, though the Chinese form almost half the total population of Malaya. The Government, therefore, have provided for all races schools where English is the medium of instruction from primary classes up to the Cambridge Certificate classes; fees are required from non-Malays, but Malays can enter free at the age of ten or eleven after passing Standard IV in their vernacular school. A survival from a time when no policy had been formulated are two Chinese government schools; and, more as a matter of economic expediency than of policy, the Government have given small grants-in-aid to the Chinese vernacular schools supported mainly by Chinese benefactions.

Everywhere increasing importance is being given to the vernacular in the early stages of education. The Union of South Africa, with long experience and a considerable literate Bantu population, gives two years of instruction in the vernacular, two years in which both languages are used, and two in which the foreign language is the chief and sometimes the sole medium.

The language question has other implications. The people themselves may wish their children to learn the European language with the idea of fitting them for 'black-coated' occupations in the towns. The educational authorities have to decide on the proper balance of occupations and the educational methods for training the children for those occupations. In all but advanced colonies the requirements are in the following order of importance:

1. Education for village life, including simple lessons in agriculture and sanitation for boys and girls; for boys lessons in simple building and other crafts, and for girls household economy and the care of children.
2. Education for future chiefs, for government service, for the professions, i.e. for teachers, medical assistants, &c.
3. Education for commercial occupations, trades and industries.

The British Colonial Office paper on educational policy in tropical Africa<sup>1</sup> stresses the importance of promoting through the schools the advancement of the community as a whole by the improvement of agriculture, the development of native industries, the improvement of health and the training of the people to manage their own affairs.

'The first task of education is to raise the standard alike of character and efficiency of the bulk of the people, but provision must also be made for the training of those who are required to fill posts in the administrative

<sup>1</sup> Cmd. 2374 of 1925.



and technical services, as well as of those who, as chiefs, will occupy positions of exceptional trust and responsibility. As resources permit, the door of advancement, through higher education, in Africa must be increasingly opened for those who by character, ability and temperament show themselves fitted to profit by such education.'

It is not so much 'detrribalization' which the British educational authorities fear as the provision of a top-heavy education which has little relevance to the needs or environment of the great mass of the pupils. The difficulty for educational authorities is to avoid attempting the impossible by giving instruction on European lines to children who will not have time in an unduly short school-life to assimilate it or opportunity in after life to use it, and yet not to deny it to those whose horizons extend beyond the village.

An official circular by M. Sarraut, dated October 10th, 1920, while admitting the necessity of training an *élite*, with access to the higher spheres of learning, urged the paramount importance of the full development of primary technical and vocational training which should be practical and realistic in character. The need in colonial education is to strike a mean, to provide practical instruction, but not to deny to those to whom it is useful a literary education. Without knowledge of a European language there is at present no possibility of securing professional competence.<sup>1</sup>

All the colonial Powers are insisting more and more on practical education which will produce a generation with more advanced ideas on hygiene, health, the production of food and of cash crops; and there is less insistence on purely literary education. They have had before their eyes the object lesson of India, where, until recently, education was purely literary and adjustment to local needs imperfect.

The movement known as the Jeanes school, assisted by grants from American sources, is making headway in backward parts of Africa. The Jeanes training colleges specialize in 'civics', and send out men and women trained in a model village to start schools in which attention is paid to the activities of everyday life, to gardening, the storing and preparation of food, the care of children and, for the boys, simple carpentry and work of general utility.

At the opening session of the Administrative Council in December 1934, M. Édouard Renard, Governor-General of French Equatorial

<sup>1</sup> For an excellent reasoned discussion of educational problems in Africa see a memorandum by the Director of Education in Tanganyika printed in the *Report on the Territory for 1934* (Col. no. 105 of 1935). The discussion has relevance for other African colonies.

Africa, declared that the new schools should provide, in addition to the rudiments of French and arithmetic, a definite course of instruction in the elementary branches of hygiene and in agriculture. To this end he proposed the establishment, in the capital of each department, of an African Staff School, with two sections, one agricultural and the other industrial, to be attended by the best pupils selected from the village schools. Another French Governor-General, M. Brevié, says<sup>1</sup> the schools must be 'nurseries of usefulness', and describes a new type of school in which children and adults learn spinning, weaving, the care of cattle and garden plots, and simple calculations, useful in everyday life, and also acquire the French language. What is wanted, he said on another occasion,<sup>2</sup> was a concrete and practical education providing a pattern and a technique for a new kind of living.

But the choice of curriculum is only part of the problem. Until recently British Colonial Governments, especially in Africa, have tended to leave native education almost entirely in the hands of the several missions. The work of these missions, devoted though it has been, is of varied quality, ranging from so excellent an institution as Budo in Uganda to the sub-grade or bush school which often provides no real education. Difficulties are created also by denominational competition, by the different grades of salary required for Protestant or Catholic missionaries, by the inexperience of many of the teachers, and by the large proportion of foreign nationals employed in British dependencies by such missions as the Verona Mission of the White Fathers. Much has been done by grants-in-aid to secure some uniformity of standard and some control of the syllabus. But the time is approaching when colonial governments will no longer be able to entrust anything but elementary education to the missions alone, or to ignore the large number of unbaptized children who at present receive no education whatsoever. It is being increasingly realized that it is foolish to spend large sums on 'higher education' in communities where primary and secondary education are still largely unorganized and primitive. It is also realized that the intellectual standard of the African can only be permanently raised if more thought and money are devoted to the education of women.

Moreover, education on a large scale depends<sup>3</sup> on the goodwill and participation of what may be called an African intelligentsia, quick to sense any signs of providing education of a kind calculated to discourage aspirants to European culture. The provision made for

<sup>1</sup> *F.B.C.C.D.*, 1934, vol. ii, pp. 326-7.

<sup>2</sup> Dec. 1931.

<sup>3</sup> See Col. 103 of 1935 for insistence on this point.

elementary vernacular education by native teachers is increasing, but it is only in advanced colonies that it can even approach the universal. Even if the funds were forthcoming, public opinion in favour of education must be created and normal schools must be established for the training of staffs. There is a growing demand for educational facilities, and in countries of indirect rule native authorities are prepared to spend considerable sums.<sup>1</sup> The colonial authorities themselves now spend more and more on education, subsidizing approved mission schools and normal colleges, providing public elementary schools of their own, training colleges for teachers and institutions of university standing for the professional and ruling classes.<sup>2</sup> But even where great efforts are made, only part of the population of school age in African countries receives a sufficient education.

It is not possible here to summarize in terms of school and college attendance the results of the efforts made.<sup>3</sup> But enough has been said to indicate the complicated situation with which colonial departments are faced in providing the education without which all endeavours to create wealthy and independent communities must fail.

### iii. *The Exploitation of Natural Resources*

A new country goes through several stages in its economic development. The process in a colony of settlement differs from that in a colony of 'exploitation' (to use the word in no derogatory sense). In the former the labour force is almost wholly imported, whereas in the latter the manual labour is done by indigenous inhabitants at an earlier stage of civilization, who can only gradually be trained to the more skilled occupations. There are few colonies of settlement to-day, since most countries settled in this way have reached maturity and have become independent or are on their way to independence. But

<sup>1</sup> 'Though many difficulties surround the question of providing additional funds for educational services, it seems probable that the most satisfactory method of supplementing central revenues will be by means of a local rate; its introduction, however, would be gradual and local and not simultaneous and territorial. There are, for example, districts sufficiently advanced, such as Bukoba, adjoining Uganda, where it is likely that an education rate would be understood by the local native and appreciated as a justifiable means of increasing the central government vote for education in his area' (*Report on Tanganyika for 1934*, Col. 105, 1935, p. 159).

<sup>2</sup> For a comprehensive study of what is being done, see the General Report by O. Louwers, General Secretary of the International Colonial Institute, in the introduction to a collection of reports on native education, *L'Enseignement aux indigènes* (Brussels, 1931).

<sup>3</sup> Figures of expenditure and school attendance in West African British and French colonies are shown by W. Bryant Mumford and G. St J. Orde-Browne in *Africans Learn to be French* (London, 1937), p. 65.

their history is important, because, though the stages must be longer in the African colonies, for instance, there are some characteristics of development which apply, *mutatis mutandis*, to them also. For the British communities in the Rhodesias and Kenya, and for some colonies in the East and West Indies, though none of these are strictly colonies of settlement, the historical parallels of the United States and Dominions have a degree of relevance. Kenya and the Rhodesias have considerable white communities, but in each the indigenous population is in the majority (as indeed it is in the Union of South Africa).

From the conditions of investment described in Chapter XIV it follows that, in the early period of settlement by emigrants from a more developed country, a colony is normally dependent on the metropolitan Power for supplies and loans of all kinds: and the more rapidly that development is pushed forward, the heavier will have to be the initial outlay. In the second stage of development the country is habitable, and engages in the export of commodities for which it is economically suited; in order to pay the interest on its debts, it has normally a 'favourable' balance of exports over imports.<sup>1</sup> In general its export commodities will be of primary produce—raw materials and foodstuffs. Industrialization will increase in this second stage, in the form of building and repair work and the preparation of the materials therefor; probably there will be works for the assemblage of imported parts. With the increase of population and of wealth comes a third stage of development—the complete manufacture of raw materials into finished goods. Although it may be convenient and cheaper under a free-trade régime to have manufactured goods made elsewhere and imported, if the colony is economically suited for the manufacture of its own raw materials and rich enough to import those in which it is deficient, the inhabitants will normally desire to secure the profits of processing their raw materials. After industrialization, trade relations change. The colony exports raw materials in exchange for other raw materials it may require and for manufactured goods and capital. The rate at which industrialization takes place depends partly on the size of the internal market and partly on labour-supply. Costs must remain high where the

<sup>1</sup> An interesting indication of the course of investment in Northern Rhodesia in the last ten years is to be found in the crude trade balance, which between 1925 and 1931 showed an adverse balance of trade increasing to over £4 millions in 1930-1. This period coincides with important capital works such as the opening up of copper-mines. The equipment once imported, in 1934 a favourable balance of £1½ millions asserted itself. In the years 1932-3 however, a public debt of over £2 millions was accumulated, possibly on account of past capital expenditure.

population is sparse, and there is consequently little chance of competing in the world market in the export of manufactured goods. The conditions for rapid industrialization existed in the United States in the last century, and in Japan in the last fifty years; they are developing to-day in India and South Africa, and, in the colonial sphere proper, in Malaya and Netherlands India.

The stages are much the same whether the country has become independent at an early stage or has always been independent; the advance of a colony towards maturity may, however, be retarded by the action of the metropolitan Power. The United States passed through all stages from the colonial to that of a Great Power, politically and industrially, in a hundred years of independence, but at the end of that time she was still a debtor country, and only the Great War made her a creditor country on a large scale.

Most colonies are still in the early stages of development, and some time must elapse before they make finished goods. The industrialization of Africa has hardly begun. The Union of South Africa has already a considerable manufacturing industry, but, with the possible exception of certain parts of French North Africa, African colonies are still in the first stage, that of economic dependence.

On the whole non-settlement colonies everywhere advance more slowly. If the land is already fairly well cultivated, agriculture may remain mainly in the hands of the indigenous population. Large-scale agriculture and mining and engineering work are carried out by the natives under outside supervision and with outside capital, and there is little incentive to and sometimes definite discouragement of the development of any but the simpler processing industries, such as seed-crushing and other preparation for export to secure economies in freight. Africa, in theory, could develop within itself manufacturing and mining areas, and agricultural areas which would be complementary; it might develop a very large market for its own products when it had acquired the necessary purchasing power. But tropical Africa will probably remain in the early stages of economic dependence longer than purely economic conditions require, because the various colonies are in the hands of different European countries, and their political boundaries hamper the development of internal African trade.

#### *iv. Building up Local Capital*

Economic independence demands the building up of some internal capital. The easiest way in which backward communities can store up capital resources for themselves, other than what may be called

public utilities capital through local government revenue, is through co-operative societies and through land banks, local credit banks and savings banks. The development of co-operative credit for farmers in India has enormously improved the situation of the peasant. In Netherlands India native capital has been accumulated through the Post Office Savings Bank, and through village agricultural banks, village banks and district banks, which all operate under the direction of a Central Cash Office. The reorganization of 1934, after the depression, made some changes in the system. The Central Cash and the district banks were merged into one centralized organization, the General People's Credit Bank (*Algemeene Volkscredietbank*), having a central office in Batavia and branch offices in most of the regencies of Java and one or more in every residency of the Outer provinces. These measures were undertaken to ensure a more systematic and constructive credit policy throughout the country. The amount of credit given decreased from 82 million guilders in 1929 to 18 million guilders in 1934; it rose to 20 millions in 1935. The district banks lost heavily through bad debts, and the whole structure was able to keep solvent without government assistance only because of this process of amalgamation. These facts speak well for the honesty of the majority of debtors, whose incomes had been more than halved by the crisis, and of the conservative policy followed by the majority of the banks in building up reserves.

The General Bank specializes in agricultural and industrial credits. Its field of operation is limited on one side by the commercial banks and on the other side by the village banks under its supervision.

The village banks give short-term credits, mostly to very small native traders and in very limited amounts; in recent years experiments have been going on with small money credits to small farmers. The total credit given dropped in the period 1929 to 1935 from 47 million to 15 million guilders; a slow recovery has since set in. The local credit societies provide agricultural credits in kind; they recovered their waning importance during the depression, as the rapidly falling prices did not much affect this credit system.

The capital of all these banks now consists mostly of accumulated profits and of deposits from villages and other rural communities having a surplus of public income over expenditure.

A small but increasing share of rural and industrial credits is being provided by co-operative societies. The native co-operative movement in Netherlands India is twofold. A varying but now rapidly diminishing number of irregular societies reject all governmental supervision and advice; they are mostly short-lived and now of little

importance. The regular societies conform to the Native Co-operative Societies Regulation (Regeling Inlandsche Coöperatieve Vereenigen), which provides rules for incorporation, registration and—if necessary—the dissolution of such societies and for a small governmental agency for supervision and advice. Their number rose from 70 in the initial year (1930) to 300 in 1935; in the last-mentioned year their capital (members' shares and reserves) amounted to nearly 0.5 million guilders. Most of them are credit societies, but since 1934 producers and marketing societies have been developing. The early difficulties have been overcome, and a much more rapid development may be expected in the near future.<sup>1</sup>

The co-operation movement in British colonies is fairly advanced in certain older territories, but in others it is non-existent.<sup>2</sup> The first colony to provide a legal basis for co-operation was Ceylon, where legislation, based on Indian models, was passed in 1911. Co-operative legislation now exists in nearly all the British colonies in Asia, and in the West Indies.<sup>3</sup> In Gold Coast and Nigeria co-operative cacao fermentaries were organized some years ago, and both colonies now have legislation providing for the extension of the system and advice and assistance to co-operators.<sup>4</sup> In Tanganyika there are some flourishing co-operative societies,<sup>5</sup> model rules have been prepared,<sup>6</sup> and the administration have sent one of their officials to Malaya and Ceylon to see the work being done in those countries. Experience in those colonies shows that much preparation is necessary and that the registrar and the supervisory staff under him must be trained specially for the work. Moreover, systems built up from

<sup>1</sup> Note contributed to the Study Group by a Dutch correspondent.

<sup>2</sup> See *Memorandum on Co-operation in the Colonies, Protectorates and Mandated Territories*, Cmd. 3629 of 1930.

<sup>3</sup> In Jamaica co-operative marketing of bananas, coco-nuts (with an oil-factory), citrus fruits and small fruits is of considerable importance. There has been some criticism of the societies in the difficult period of falling prices for these products, particularly for copra and citrus fruits. Land settlement is assisted by forty-eight co-operative loan banks, and these societies were of great service after the hurricanes of 1916 and 1917. The small societies making advances for stock, tools and agricultural requirements generally have almost eliminated the usurer in the districts which they cover. For the large-scale operation of the Jamaica Banana Producers' Organization and the work of the Land Banks, see Lord Olivier, *Jamaica, the Blessed Island*, pp. 394-8 and 349-54.

<sup>4</sup> Co-operative societies in 1934 sold 6,002 tons of cocoa, commanding a premium price.

<sup>5</sup> For coffee-growing. Two societies for the co-operative marketing of tobacco were established in 1934, with the help of a grant of £3,000 from the Colonial Development Fund.

<sup>6</sup> For the articles of association see C. F. Strickland, *Co-operation for Africa* (Oxford University Press), 1933.

below are the true co-operative societies; their responsibilities are gradually acquired, and during the process members obtain the necessary experience of affairs. Creation of 'co-operative' societies with State assistance has been less successful. Colonial countries have much to learn in this respect from India and Japan, where practical systems have been evolved; and the Ceylon Government has arranged for the training of its co-operative staff in India.<sup>1</sup>

French administrations in north Africa have stimulated co-operative movements, especially credit societies, to lessen the evils arising out of usury. With the help of State funds mutual credit and agricultural co-operation were reorganized in Algeria and in Morocco in 1935. A Central Agricultural Credit Institution was set up in Algeria, and a decree of October 4th authorized the Algerian Administration to credit a sum of 50 million francs to the joint fund of the native provident societies. In French West Africa co-operative societies are regulated by decrees of 1919, 1923 and 1933. The 1933 decree states the objects of the thrift and loan societies on broad lines, and insists that all grants from the central agricultural bank must be paid through the societies. M. Brevié has helped co-operative societies in the marketing of their produce, thus defending them against speculative traders, who have not failed to protest.<sup>2</sup> The great improvement in native agricultural production in 1935 is ascribed partly to the working of this system, which includes almost the whole of the agricultural population.

Co-operation might have a great future in Africa where native society is organized on a communal basis. Co-operation in bush-clearing, cultivation and harvesting is part of the normal organization of African society. Moreover, the co-operative society provides a centre in which the African can learn new things, exchange information and find a transition from the self-contained village life into the wider life of a larger community. 'Co-operation', stated the Chief Secretary of Tanganyika Territory, in his address to the Legislative Assembly in 1934, 'should form a most valuable—and, I believe, the only practicable—force in knitting together native communities whose social organization cannot be expected indefinitely to resist the impact of Western civilization.'

The main objects of co-operation are described by Mr. C. F. Strickland as follows:

'(1) to forestall or to relieve the burden of debt which the economic

<sup>1</sup> See C. F. Strickland, 'Memorandum on Co-operation', Colonial Office Conference, Appendices, Cmd. 3629 of 1930, p. 107.

<sup>2</sup> See *Y.B.C.O.D.*, 1933, vol. ii, pp. 446-7; 1934, vol. ii, pp. 317-18.



development of an area frequently imposes on the weaker and un-commercial classes, especially the small cultivators;

- '(2) to organize and assist the purchase of domestic or professional requirements and the sale of agricultural or other produce;
- '(3) to train the characters of the co-operators by a simple type of self-government, and thus fit them for greater responsibilities as citizens in the future.'<sup>1</sup>

In north Africa and in Eastern countries the elimination of the moneylender, who can reduce the small cultivator to a condition little better than serfdom, is perhaps the greatest benefit conferred, though co-operative selling is also important. In tropical Africa the main work of most societies is as yet in the standardization and marketing of produce. Co-operation in marketing enables the peasant to compete on relatively equal terms with the large-scale producer, and the society provides a medium for agricultural instruction. The government instructor cannot deal separately with hundreds of peasants, but he can perhaps convey his ideas through the society.

There are other reasons for encouraging co-operation on the side of thrift. When comparative riches come as rapidly as they have done in Uganda, the African needs the direction afforded by co-operative societies to apply usefully the capital he acquires. In the poorer districts, where it is hard to accumulate money at all, he needs all the support he can get from local co-operation to improve his house and garden and his way of life. Co-operative machinery could be used to purchase agricultural tools and lorries to transport produce.<sup>2</sup>

In nearly all colonial areas employment declined heavily during the years of depression. There is no social insurance to mitigate unemployment, and the worker thrown out of employment must return to his village and be provided for by the family or the village community. The burden was carried on the whole with remarkable success, but not without much privation in the sharing of slender resources. Co-operation for the building up of local resources would mitigate the situation in crises arising from unemployment or from natural causes such as locusts, cattle-disease, drought, &c. Communal grain-stores, supplied on a compulsory basis, exist here and there. Co-operative societies, organized to meet various kinds of emergencies, would prevent much of the suffering and even starvation which arises in hard times.

If applied in all its forms, co-operation is certainly the simplest

<sup>1</sup> Cmd. 3629 of 1930, p. 105.

<sup>2</sup> Co-operative societies in French West Africa have provided 14,000 ploughs, 1,350 drills and several hundred ground-nut shelling machines, crushers, pressers, &c.

means of building up the local capital which the African needs, and which he has hitherto liked to hold in the cumbrous form of cattle. But, as Mr. Strickland and others have pointed out, the co-operative principle in Africa may go far beyond the function of a mechanism for economic solidarity, and may serve as the best means of education for the adult African.<sup>1</sup> Co-operation is not only a device for securing economic prosperity among the co-operators; it is a way of life. It gives training in a simple form of self-government, teaches business methods and responsibility in the handling of a common fund, and helps to maintain the community spirit. The members learn from one another, and advice which they may be loth to accept from a government agent they may be willing to take from their own people.

v. *Co-operation on National and International Lines*

It is easier to build up wealthy and self-supporting communities when the unit is large enough to allow of economy in administration and of considerable internal trade.

Some attempts have been made to secure closer co-operation between neighbouring British territories. There is a Conference of British East and Central African Dependencies, dating from Mr. Ormsby-Gore's visit to east Africa in 1924, at the head of a Parliamentary Commission, which recommended a periodical meeting of Governors of Kenya, Uganda and Tanganyika and the British Resident at Zanzibar, and the regular conference of heads of departments. The Commission of 1929 on Closer Union recommended the creation of a central executive authority for the three territories of British East Africa—Kenya, Uganda and Tanganyika—with a High Commissioner or Governor-General, who would represent the Secretary of State, and would, if necessary, intervene in the legislation of individual territories, to give effect to Imperial policy or to protect any racial community.<sup>2</sup> The proposal was intended especially to secure that the main principles of Imperial policy in regard to native interests and the relation between natives and immigrants were everywhere carried into effect, and to assist in the development of local self-government. The establishment of a central authority would also, it was thought, assist the co-ordination of services of common interest.

Railways, ports and harbours and water transport are under common control for Kenya and Uganda, and co-operation has been established with the Tanganyika services (though there the question

<sup>1</sup> See Merle Davis, *Modern Industry and the African*, p. 338.

<sup>2</sup> Cmd. 3234 of 1929.

of ownership, since Government property is held in trust for the Territory, may modify the position). In the extension of the transport system which is necessary in the interests of producers a unified policy is desirable to prevent wasteful construction. Moreover, better communications are necessary between Kenya and Uganda and Tanganyika and between Tanganyika and southern Africa; the railways have been designed mainly to serve the ports, and inter-territorial communications are poor. For the development of communications a wider range of consultation would be desirable: Northern Rhodesia and Nyasaland should be included. Similar considerations attach to road-construction and to postal and telegraph services.<sup>1</sup>

In the terms of the mandate for Tanganyika no obstacle exists to the establishment of a customs union, and since Kenya and Uganda lie in the Conventional Basin of the Congo they are precluded from adopting imperial preference. The customs agreement of 1927 provided for free movement of goods between the three territories, and ordinances of 1930, 1931 and 1933 have brought into operation a common tariff for all three territories.

The statistics of regional trade show the mutual value of the customs agreement providing for the free interchange of local products.<sup>2</sup> The Governors' Conference, at their Entebbe meeting in 1935, expressed the opinion that in exceptional circumstances a departure from the principle of free trade between the territories might be justified, but that it was not advisable to oppose the development of a new industry in one territory solely because it threatened an older industry in another.

Co-ordination in the defence services, in research and in medical services was recommended by the 1929 Commission. For the medical services co-ordination already exists over a rather wider area, since the services for Kenya, Uganda, Tanganyika, Nyasaland, Zanzibar and Somaliland form the East African Medical Service, with a common appointment and promotion list. The general conclusion reached by the 1929 Commission was:

'The three territories have a substantial political unity, and while it is wise to avoid forcing premature unification in any particular sphere of government, it is important now to create machinery which will provide

<sup>1</sup> The issue of a common postage-stamp gave rise to adverse comment by the Permanent Mandates Commission, partly because it appeared to represent a tendency to political union. The representative of the mandatory explained that the revenue from sales in Tanganyika accrued to the Territory. (P.M.C., XXIX, p. 41.)

<sup>2</sup> See the *Report on Tanganyika Territory for 1935*, Col. 113 of 1936, pp. 179-80.

the possibility for advancing towards unification, step by step, taking each step in due course when the proper time for it has arrived.<sup>1</sup>

The fate of these proposals, to which various objections were raised, can be pursued in further documents<sup>2</sup> and in a letter addressed by Mr. Malcolm Macdonald to the Colonial Governors concerned, of which a copy was forwarded to the Permanent Mandates Commission.<sup>3</sup> The notion of the union of the three territories for the co-ordination of policies and services was rejected on the ground of the expense involved, and the opposition of certain communities (Indian opinion and native opinion, so far as it could be gauged, being hostile), the inadequacy of communications and the desirability of allowing each area to develop on its own lines in view of the diversity of circumstances. A fundamental difficulty, less openly stated, is probably the special situation of Kenya, where the European population think they are entitled to the same degree of self-government as the Southern Rhodesians. For responsible government the whole of east Africa is obviously not ripe, and federation might delay it indefinitely for the Kenya Europeans. The suggestions for closer union therefore resolved themselves into the development of the Governors' Conference, which has secured useful co-ordination. The Colonial Office (dispatch of December 4th, 1934) agreed, for instance, that the Governors' Conference should exercise the functions of an Advisory Transport Board for East Africa, since it was essential that, without the fullest previous consultation, no new departure in transport policy should take place which would have repercussions in a neighbouring territory. The Conference in 1936 asked for an expert adviser from the United Kingdom on the transport questions involved. The 1935 Conference arranged for research conferences on agriculture at Amani, on tsetse-fly and sleeping-sickness at Entebbe, on veterinary and medical questions at Nairobi, the various research services for the three territories being thus pooled on common-sense lines. They also proposed investigation into the control of civil aviation, and the expense at present incurred in looking for lost private flyers came under consideration. The 1936 Conference recommended the institution of standard time for the three territories and decided on the establishment of a Central Medical Research Committee, in which it was hoped that the Sudan would co-operate. They also proposed close co-operation with the recently formed African Tea Association

<sup>1</sup> *Report of the Commission on Closer Union of the Dependencies in Eastern and Central Africa*, Cmd. 3234 of 1929, p. 141.

<sup>2</sup> Especially *Correspondence (1931-32) arising from the Report of the Joint Select Committee on Closer Union in East Africa, Aug. 1932* (Cmd. 4141).

<sup>3</sup> P.M.C., XXIX, pp. 180-2.

in Nyasaland, Kenya, Tanganyika and Uganda. The most important question before them was defence, including the plans for the fortification of Mombasa and the allocation of the costs thereby incurred.

In some respects Nyasaland and Northern Rhodesia have interests in common with British East Africa. Both Southern and Northern Rhodesia have close connexions with the Union of South Africa,<sup>1</sup> through which a large part of their import requirements are met. Their railway connexion with Lobito Bay on the west and Beira on the east brings them into relation with Angola and Mozambique, and there is a natural interdependence between Katanga and Northern Rhodesia. Part of Northern Rhodesia lies within the Conventional Basin of the Congo, and her tariff policy has certain limitations on that account. The various frontiers are drawn without reference to the lines of communication, and trade is subject to an extraordinary complex of restrictions and agreements. Southern Rhodesia was virtually a part of the Union of South Africa market until 1930, when she resumed her tariff freedom; in 1935 a new Agreement specified quotas of the produce of each country which could be admitted free of duty or at reduced rates, and, amongst other things, provided that imported merchandise re-exported from one territory to the other should be liable to duty.<sup>2</sup> The Zambesi zone of Northern Rhodesia has a special customs agreement with the Union, with Southern Rhodesia and with the High Commission Protectorates. The whole of Nyasaland lies within the Conventional Basin of the Congo.

The network of conventions is difficult to unravel. Recent developments, by making regional trade expensive, tend on the whole to encourage a larger proportion of direct import. The purchase of consumers' goods from the highly protected Union of South Africa means high prices. In some districts a considerable mail-order business direct from England has grown up to avoid high local prices, the natives even clubbing together to place orders of £2 and upwards.

Between the Union of South Africa and Portuguese East Africa relations are governed by the revised Mozambique Convention which in 1934 replaced the 1928 agreement.<sup>3</sup> The free list previously in force disappeared and the Portuguese share in the traffic of the 'competitive area' of the Transvaal was reduced. The whole of these territories are strongly under the influence of the Union, but do not wish to be economically dominated by it; and perhaps this circum-

<sup>1</sup> A proposal for the inclusion of Southern Rhodesia as a fifth Province of the South African Union was rejected by referendum in 1922. The Rhodesians dislike the bilingualism of the Union.

<sup>2</sup> For details see *Dominions and Colonial Office List, 1936*, p. 218.

<sup>3</sup> See Appendix IX.

stance prevents the development of any such definite recognition of common interests as exists in east Africa.

From time to time proposals have been made to unite the two Rhodesias. Southern Rhodesia was led to protest against the majority report of the Hilton Young Commission on Closer Union as envisaging the eventual absorption of Northern Rhodesia in the east African system; and in 1930 the elected members of the Northern Rhodesia Legislative Council asked the Secretary for the Colonies whether he would accept proposals for amalgamation with Southern Rhodesia, but at that time the home government declared the question premature. The white population of Northern Rhodesia would like to have constitutional rights equal to those in Southern Rhodesia and to obtain responsible government. This is obviously difficult for a small white population surrounded by unrepresented Africans, and the objections raised by the home government in 1931 are still held in London to be valid. A convention of representatives of both territories held at Victoria Falls in January 1936 adopted a resolution in favour of amalgamation with responsible government and with a Legislative Council on which three nominated members would represent native interests. Southern Rhodesia has a white population of 55,000, Northern Rhodesia 10,000.

As an alternative to the amalgamation of the whole of Northern Rhodesia with Southern, it has been suggested that Southern Rhodesia would take over only the central portion of Northern, commonly referred to as the Railway Strip and embracing the mines, the European agricultural areas and most of the others. This would leave out—on the north-west—Barotseland, which might be administered as a protectorate, and to the east a large and sparsely populated native area for the administration of which, unless perhaps it were attached to Nyasaland, it would be less easy to provide.

The natives of Nyasaland, which has no extractive industries, migrate in large numbers into neighbouring territories. Her interdependence with her neighbours is clear, and the problem of her excessive migration can be settled only by mutual action. A provisional agreement was reached in November 1936 between the Governments of Northern and Southern Rhodesia and Nyasaland for the regulation of migrant labour.<sup>1</sup> Communities with mining resources have recovered more rapidly from the depression than purely agricultural communities. Mr. Ormsby-Gore, the Colonial Secretary, addressing the Royal African Society (October 29th, 1936), said that at some period the boundaries of existing administrative units might

<sup>1</sup> See *The Times* of Nov. 10th, 1936.

have to be altered in the interests of all concerned, and federation or union might be required. But in the meantime effective co-operation in all departments of endeavour was required both in east and in west Africa.

The scattered groups of the British West Indian Islands have each developed on their own lines, and, though there might be economic advantages in federation, it presents extraordinary political and technical difficulties on account of the great distances, and of consequent local particularism. Major Wood (now Lord Halifax) wrote in his *Report on the West Indies in 1922* that advance in the direction of federation could only be made when local opinion came to perceive the advantages of co-operation under modern world conditions. The Commission on Closer Union which reported in 1933 left out of the question Jamaica, Barbados, the Bahamas and British Guiana (which though a mainland country has natural connexions with the West Indies), and confined itself to the administrative and economic advantages of closer union between Trinidad and Tobago, and between the Leeward and the Windward Islands, or some of them.<sup>1</sup> The Commission found little local interest in the scheme. They suggested formation of the Windward and Leeward Islands into one colony, with local autonomy for existing units; some machinery for regular consultation has in fact been arranged and a West Indian Court of Appeal established. Communications remain bad, and local trade fails to develop as it might. The progress in inter-island trade during and since the depression has been marked, as the figures given below (Chapter XV, section vii) show, and under favourable conditions the advance might be more rapid. The Association of Chambers of Commerce acts as a useful unofficial co-ordinating body. The Western Pacific islands under British rule, situated at great distances from one another, are under a High Commissioner, with head-quarters at Fiji, of which colony he is governor.

In the Malayan area, widely separated areas at different stages of development have an effective administrative nexus in the Governor of the Straits Settlements Colony, who is *ex officio* High Commissioner of Malaya and British Agent for Borneo and has certain duties in connexion with the State of North Borneo (administered by a chartered company), and he is the channel of communication with the independent state of Sarawak. Residents of the Federated Malay States and the British Advisers of the Unfederated States report to him.

An instance in which amalgamation seems economically desirable,

<sup>1</sup> Cmd. 4383 of 1933.

though there are strong political reasons for the distinction between a mandated territory and a colony, occurs in New Guinea and Papua. Papua has already a trained administration; the administration of the mandated territory had to be built up from the beginning, and between the two there is little connexion other than an occasional loan of officers. A conference of administrators of the external territories of the Commonwealth, held at Canberra on March 12th and 13th, 1934, to consider some unification of the administrations of New Guinea, Papua, Nauru and Norfolk Island, merely recommended closer co-operation and greater uniformity in administrative methods.

In the French Empire similar measures have been adopted to ensure consultation for regional concerted action. The establishment of the Federations of West Africa and of Equatorial Africa has provided two large units, and French West Africa has made great progress under the new régime.

In north Africa the movement for more co-ordination arouses much opposition, especially in Algeria, the settled areas of which are departments of France and enjoy special privileges. Since 1923 the North African Conference, consisting of the Governor-General of Algeria and the Residents-General of Morocco and Tunis, has met regularly to consult on matters of interest to all three territories, and in 1931 the Governor of West Africa, whose Saharan territory borders on French North Africa, and the Governor of Equatorial Africa took part for the first time in the Conference at Tunis. Since that date the scope of the Conference has been steadily enlarged.

In Paris itself the decree of February 23rd, 1935, created the *Haut-Comité méditerranéen et de l'Afrique du Nord*, a larger organization with similar aims of co-ordination. The Committee is attached to the Prime Minister's department, and includes, in addition to the Prime Minister and the Ministers concerned, the Governor-General of Algeria, the Residents-General in Morocco and Tunis and the High Commissioner for Syria, or delegates nominated by them. French Indo-China has long had the advantage of a central co-ordinating authority.

Even within the colonial empires themselves regional co-ordination is seen to be inadequate to secure the maximum of local trade; the necessary collaboration on communications, in medical and veterinary services; and the maintenance of common standards in the administration of justice, the treatment of labour and other matters. The effort being made in east Africa is therefore worthy of study. In island dependencies the lack of means to ensure common interests is less appreciated by individual governments.



In African territories with land frontiers the present method of trying to create separate economic units and to establish effective tariff controls between countries of high and low tariffs is a definite handicap on development, especially when labour demands are met across frontiers.

Unified regional control in the hands of a single Power tends to reduce these difficulties if the administration concerns itself with the development of the territory and not only, as often, with the forcing of development on mercantilist lines into shipping and trade channels between the colony and the metropolitan Power. But, since frontier questions are notoriously thorny, it would be easier to proceed by regional agreements for the reduction and the eventual elimination of local barriers than by exchanges of territory. The frontiers of Nigeria and Gold Coast on the British side are not strictly controlled, but on the French side patrols are employed to prevent unauthorized migration or smuggling from the cheaper market.

The varying degrees of protection imposed by the colonial Powers and the growth of the new mercantilism prevent, within regions whose local interests are identical, the formation of customs unions which would mitigate the disadvantages of artificially drawn frontiers. Franco-British agreements in west Africa have largely overcome the awkward configuration of the boundaries with regard to waterways, the lower courses of the Gambia<sup>1</sup> and the Niger being in British territory. The Anglo-French Convention of June 14th, 1898, provided for the lease of one frontage on the right bank of the Niger between Leaba and the junction of the Niger and the Moussa, and another at a point on the Niger delta, and provided for the equality of French and British goods and persons in fiscal treatment, river navigation and so on. The area of economic non-discrimination was further extended by a Declaration of March 21st, 1899, to a rectangle including Sierra Leone, Upper Volta, Gold Coast, Togo, Dahomey, Nigeria, the Cameroons and part of French Equatorial Africa. France thought that the main advantage accrued to Great Britain and denounced the Non-discrimination Clauses, denunciation taking effect from October 22nd, 1936.

Free navigation and economic equality for users of the Congo River, its tributaries, the lakes in the Conventional Basin and the roads, railways and lateral canals designed to supplement the use of

<sup>1</sup> The Convention of Apr. 8th, 1904, ceded to France the Gambia river port of Yarbathendu (over 200 miles up), with all its landing-places, with the further promise that, if Yarbathendu should prove inaccessible to sea-borne trade, access to the river at a point lower down would be granted.

the river when not navigable, are stipulated in the Act of Navigation for the Congo, signed at the Berlin Conference (1884-5). Similar conditions attach to the Niger and to all rivers and outlets within the Conventional Basin of the Congo.<sup>1</sup> The estuary of the Congo is bounded by Belgian Congo and Angola, and the port of Matadi, with a railway to Léopoldville on Stanley Pool, on the French frontier, is Belgian. Partly on account of congestion at Matadi, and partly from desire to control their own traffic from the interior of French Congo, the French have built the Brazzaville railway and are constructing a great port of their own at Pointe Noire. It may be argued that the more economical method, in capital and in labour (the supply of which is inadequate in these regions), would have been improvement of facilities at Matadi and not the construction of a new port, but national considerations prevailed.

Southern Rhodesia has access to the sea only across foreign territory and through foreign ports; from time to time it has been proposed to build a railway across Bechuanaland to Walvis Bay, but this is not practicable at present.

Many economies might be effected and unsatisfactory frontiers made less harmful by closer co-operation between adjacent Powers. The arrangement between the Union of South Africa and Mozambique has been useful to both parties. To co-operation on a large scale there are serious obstacles. A single example may suffice. The improvement and equipment of a port may cost many thousands of pounds, which probably requires the raising of a loan, the interest and amortization of which falls on the revenue of the colony, in addition to possible social dislocation as the result of excessive recruitment of native labour. If communications with this port are so arranged as to make it serve effectively adjacent colonies under different flags, can the burden be shared? The same question arises with central stations for the investigation of agricultural possibilities, of public health and for other purposes. Co-operation is desirable but not always feasible, even in matters in which commercial rivalry is not involved, unless some definite international colonial organization is set up.

Tropical Africa is administered by several amicable Powers. Some degree of limitation of conflict in economic matters, if not of co-operation, has been secured by the Congo Basin Treaties. It is desirable in the interests alike of the Colonial Powers and the African peoples that further steps should be taken towards a real co-operation in the conservation of African resources in capital and labour,

<sup>1</sup> See Articles 5-9 of the Convention of Saint-Germain, 1919.

perhaps for regular conferences for the consideration of common interests in transport, in the economical supply of labour now wastefully exploited, in the improvement of health services and in education. The tendency in recent years has been to seek methods of circumventing existing agreements; a policy of the kind here advocated would extend them. A beginning might be made with an African Transport Conference to consider whether the railway policy hitherto followed is in the best interests of the development of Africa as a whole, to consider questions of rates and the organization of feeders to the railways to enable the sale of produce from the remoter districts. The kind of crops to be grown depends in the last resort on transport, since, unless good transport facilities are available, it pays to produce only those crops which offer a high return relative to their bulk. Transport is one of the keys to the kind of development possible in different areas. The African Research Survey now in progress will provide material for considering what African problems are susceptible of solution or partial solution by closer co-operation between African administrations.

Proposals made for the internal development of colonial wealth may be summed up as follows: arrangement where possible into suitable units where the balance of resources is fairly even; the development of a mixed economy and the building up of internal capital; the retention of mineral rights by the State as a source of revenue; the prevention of undue drainage of wealth out of the colony; agreement on the limits of land-alienation and the protection of peasants from usury and other exploitation; the maintenance of a proper balance between agricultural production for home needs and for export, with emphasis on the former; the improvement of health and education services, and attention to vital statistics, so that changes can be made where necessary in the allocation of labour-supply. In short, the interests of the native population, the raising materially and morally of the general standard of life, would be primary, and all other objects secondary. The need of a settlement of racial questions which may embitter relations between the subject peoples and their rulers is urgent.

Some parts of this programme are susceptible of international action. Some international action has already been taken and the resulting body of legislation may form the nucleus of a corpus of principles of colonial administration.

## CHAPTER XII

### THE PRESENT STATUS OF COLONIES. THEORY AND PRACTICE

Autonomy or assimilation—reflection of national policy in colonial administration—reasons for slowness of advance—British tradition of devolution—retrogression in Cyprus and Malta—Palestine—the Philippines—release of Iraq and Syria—education of backward peoples in self-government—indirect rule—customary law.

#### *i. Autonomy or Assimilation*

It is possible to recognize in the colonial policies of the metropolitan Powers two separate processes by which the inferior status implied by the word 'colony' is being changed. Advances in self-government may have as their ultimate goal:

1. ending the system by the grant of autonomy or even complete independence to colonial communities as they become economically and politically fit to stand alone ;
2. incorporation of colonial communities in the metropolitan State, with complete equality of rights with the original metropolitan community.

Both of these policies—advance towards autonomy and advance towards full assimilation—presuppose the complete abandonment of any attempt to exploit the subordination of colonial communities socially, politically or economically. The first, the road to autonomy, allows a free individual development, possibly with social and political institutions quite different from those of the mother country ; the second, the road to assimilation, means education to take part in the government and the social and economic system of the metropolitan Power. The first can be applied to communities of different races at various stages of development, the road being longer or shorter according to the point from which it starts ; the second is not easy of application except to communities with a civilization approximating to that of the metropolitan Power, and even then assimilation is difficult if the colony is not contiguous territory.

The effects of the two policies on the metropolitan Power are very different. Colonies which attain autonomy may or may not remain in close alliance with the colonial Power ; they may maintain not only close connexions for defence and other purposes, but also the social and commercial connexions formed during the colonial period. On the other hand, there may be a complete separation of interests, or

even the development of hostility. Incorporation within the sovereign State carries with it a consolidation of interests and, provided that it does not raise difficult minority or other questions, a permanent strengthening of the resources of the incorporating State.

Assimilation has generally been a policy consciously adopted at an early stage in the administration of a colony. On the other hand, gradual progress towards autonomy has often taken place without any definite intention on the part of the ruling Power to permit eventual independence, with or without separation for defence purposes. There are exceptions. It may be said that opinion in two colony-owning countries, Great Britain and the United States of America, is in favour of gradually solving the colonial problem by educating the subject peoples in the art of government; the gift of autonomy is expected to substitute mutual friendship and political co-operation for the relation of dominance and subordination. Americans hold this doctrine strongly, since the notion of colonial subordination conflicts with the foundation of American political philosophy—the Declaration of Independence—which asserts the principle of self-determination. For American outlying territories, the only alternative to autonomy is incorporation with full rights as a State of the Union, where this is practicable. Dutch policy provides for the gradual emancipation of colonial countries within the framework of the Kingdom of the Netherlands.

The history of English, Spanish and Portuguese colonization in North and South America suggests that large colonial communities must, sooner or later, be freed from control. The stimulus usually comes not from the colonial Power but from the natural desire of the colonies themselves for independence. There are some important considerations which may delay the demand for complete independence though not the demand for a degree of autonomy. In the past 'decolonization'—to use the word adopted by Professor Moritz Bonn and others—is a process which has seldom been deliberately undertaken by the metropolitan Power.<sup>1</sup> In the British Empire to-day it is being consciously undertaken, but not with the intention of the premature grant of self-government, or

<sup>1</sup> Session of the International Colonial Institute held at The Hague, June 1927 (*Compte Rendu*, Brussels, pp. 101–3). Dr. W. M. G. Schumann reminded delegates that even in European countries with parliamentary institutions there has not been a single great reform which has not been born of a revolution or of fear of a revolution. 'It will be the same in the colonies. . . . It is possible that we shall be obliged to do what is necessary. . . . In Europe universal suffrage was introduced, not because it was thought that all the new electors were worthy of the vote, but in fear of revolt.'

of casting autonomous countries loose from the general system of defence and co-operation which exists in the Empire. Some doubt has been expressed of the validity of the assumption underlying the British conception of decolonization—that the grant of a degree of self-government does not necessarily lead to complete separation. At the International Colonial Conference of 1927<sup>1</sup> one member, M. Rollin, pointed out that the grant of parliamentary institutions, when the natives had reached a high stage of civilization, was the beginning of the end of colonization, and that the status attained by the British Dominions and India illustrated the inevitability of independence when some measure of autonomy had once been given. Some qualifications should perhaps be added to M. Rollin's statement. Independence in the British Dominions has not meant severance from the general system of the Empire, and there are reasons why colonial communities themselves may hesitate to demand separation from the empires of which they form part. These include: uncertainty of their capacity for self-defence; in communities where racial dissension exists, doubt of their capacity to maintain internal peace; and, in colonies which depend largely on the market of the metropolitan Power, fear of being deprived of any special protection they may enjoy in that market.

For contiguous territories the United States has followed the path of assimilation, but in the distant Philippines, with their different racial and cultural traditions, the path of autonomy. France has successfully and completely incorporated Corsica, and to some extent the three departments of Northern Algeria. The differing policies followed in the neighbouring States of Algeria and Morocco are explained partly by the political circumstances of their acquisition and partly by the character and policy of the two great men who have left their imprint on the history of the two States. Bugeaud followed the goal of Gallicization; Lyautey sought to build on the foundation of local culture and local systems of law and government. The U.S.S.R. has incorporated the outlying districts of Transcaucasia and of Asiatic Russia as Socialist Soviet Republics forming part of the U.S.S.R., and admits in theory no distinction in citizenship, though in practice differences in civilization and education create a gulf in the Far East and in north Siberia which can only be gradually overcome.

Assimilated territory shares the destiny of the country to which it is henceforth bound. Where the 'mother' country maintains a high tariff and a relatively closed economy, the degree of advantage of

<sup>1</sup> In a discussion on a paper read by Dr. Moresco on Representative Councils in Asiatic Colonies.

economic assimilation, as far as the colony is concerned, depends, under existing restrictions on trade, on whether the area of internal trade is sufficiently rich to absorb a major part of the production of the assimilated state. Unwillingness on the part of the United States to absorb Philippine production played a part in the emancipation of those islands. The Japanese would claim that Korea and Formosa gain by assimilation to a market which actually absorbs well over 90 per cent. of a rapidly increasing production. The case of Algeria is rather more doubtful, but it may fairly be argued that, during the depression, access to the French free market, even though its capacity was limited, was of great advantage.

The greater colonial Powers are democratic States, and it is natural that in a greater or less degree they should apply to their colonies the principles which they believe to be the best for human development. Japan and Italy are authoritarian States, and they naturally apply their own principles to their colonies.

The difference between the democratic and authoritarian philosophies of government explains much. It does not explain the contrasts to be found in the colonial policies of democratic Powers. But these also reflect differences in political philosophy; there are wide differences in the form which democracy takes at home. British domestic policy is one of decentralization for local affairs, while France is a highly centralized State, maintaining a much closer control over local administration. Therefore it is quite natural that in colonial policy France should lean to assimilation, to uniform methods of administration so far as the special circumstances of each colony permit, and to a detailed supervision from the centre. British decentralization at home is reflected in the decentralization within the Empire, permitting a great variety of local institutions and providing for no more control at the centre than is sufficient to maintain the necessary degree of co-ordination. The American federal system permits of assimilation by stages, and where the 'outlying territory' cannot for any reason advance from a territory to a State of the Union, as the Western States have done, the logical course is to emancipate it completely.

In mandated territories the policy of assimilation is *ipso facto* excluded. Autonomy at short term is the basis on which A mandates were conferred.<sup>1</sup> By implication it is sought at long term for B man-

<sup>1</sup> Communities which 'have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance' (Article 22 of the Covenant of the League of Nations).

dates. The difficulties of carrying out the A mandates are examined below; they have been shown in strong colours in Syria, and in Palestine release from tutelage is under present conditions impossible. The C mandates permit a degree of assimilation.

There is therefore no common goal in colonial administration. In the British Empire, past and present history indicate a general trend towards independence, accompanied by treaty or other affiliations with the mother country. The United States chooses between the gift of independence and assimilation according to circumstances. France leans towards assimilation, but the preponderance of purely African territories inhabited, except for north Africa, by backward races renders the realization of the aim impracticable for many years, probably for many generations; and Indo-China presents an intractable problem for assimilation, since its interests and connexions are largely Asiatic. Netherlands India tends more and more to become a distinct entity, though it is a component part of the Kingdom of the Netherlands.

The forms of colonial government have this in common—that whatever the nature of the constitution granted, the home government retains the control of external relations and the ultimate power to determine internal policy. Internal interference would probably not be pressed in face of determined opposition in the more advanced colonies. It is when these controls are withdrawn that colonial communities cease to be colonial. The process of decolonization has advanced far in some communities, and has hardly begun in others.<sup>1</sup> The substitution of the word 'administration' for 'mandate' in the third paragraph of Article 22 of the Covenant of the League of Nations would express the situation: the character of the administration must differ according to 'the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances'. Ceylon, with an old civilization and centuries of contact with Europe, cannot be administered as New Guinea is administered. Morocco, with its own system of Moslem law and the international status of a protectorate, cannot be administered like French Equatorial Africa, nor can it be 'assimilated' to France. Kenya, where white settlement has been encouraged, presents an aspect very different from Nigeria, where conditions for settlement are unsuitable and where the alienation of land has been practically prohibited.

Countries which have been from time to time suggested as potential candidates for independent status are Ceylon, Netherlands India,

<sup>1</sup> See Appendix X on Forms of Government.



Indo-China, Morocco, Tunis and Burma (which achieved a degree of self-government simultaneously with India). Apart from the question of whether they would be able to defend themselves, there are in their internal circumstances considerable obstacles to independence. Netherlands India, Ceylon and Burma all have a large measure of autonomy, and the reservations in the constitutions of the two last, largely in the interest of minorities, are likely to remain so long as racial questions are acute. Indo-China is comprised largely of native States inhabited by different races. It may be long before Javanese and Malay Moslems can be entrusted with the destinies of Batak and Dayak animists. As for Malaya, any one with local knowledge is aware that the Malay States would raise strong objections not only to incorporation with the Straits Settlements but to federation among themselves, and there is in addition a difficult Chinese minority question. None of these communities would be able to defend themselves unaided against powerful States, and, even if the many obstacles to complete self-government were overcome (the nature of these obstacles is clear enough in the examples drawn from the A mandates in the Near East), they would require to have, on the models of the Anglo-Iraq and Franco-Syrian treaties, binding engagements of alliance and friendship with the liberating Power. Nevertheless, the claims will come sooner or later,<sup>1</sup> probably sooner rather than later in Asia, where the influence of nationalist propaganda from various sources is powerful.

Finally, it may be pointed out that although in the British Empire constitutional government on the English model has been the rule, there is no reason why that precedent should be universally followed. Where homogeneous native communities function under the system known as indirect rule, other methods of approach may be evolved leading to independence under governments which are not on the conventional British lines. But the road to independence will certainly be long.

## ii. *Conditions favourable and unfavourable to Decolonization*

Decolonization within the British Empire began earlier, and advanced more rapidly, for countries of European settlement; it has been assisted by preliminary group federation, and one of the reasons

<sup>1</sup> Cf. Colonel Roosevelt, in a lecture at University College, London, on Jan. 26th, 1937. He thought white domination had reached the high-water mark. History showed that it was impossible for nations to administer a large alien population indefinitely. Sooner or later the home country changed its policy or was weakened, and the foreign country again became independent. This was bound to happen unless some new formula was found. It might perhaps be discovered in the Dominions policy of Great Britain.

for slower progress in the Empire at large may be ascribed to the isolation of some of its smaller units.

By contrast, the greatest difficulties arise where there are serious inequalities in the structure of the population. These inequalities may take many forms, and are frequently found coexisting in the same colony, thus adding to the complexity of the problem to be faced by the metropolitan Power. The commonest form is a minority, the protection of which would be difficult even in an experienced democracy—and the newly decolonized community is, by definition, an inexperienced democracy. The Assyrians in Iraq were a case in point. Again, the majority may be backward, in territories with a large native population and a dominant white minority like the Rhodesias and Kenya. Inequality of political advancement may be produced by immigration. Thus in Malaya immigrants of a more developed civilization—the Chinese—threaten the livelihood of the native Malays. In Kenya, Indian immigration has interpolated the product of an old but undemocratic civilization between the white man and the primitive African. Each of these inequalities brings concomitant economic, social and political problems, illustrated in the experiences of the colonial Powers set out below.

The transition from representative to responsible government, which is ordinarily the penultimate stage towards autonomy in British colonies, is checked sometimes by lack of political education; in advanced communities, the commonest obstacle has been the irreconcilability of religious or racial interests. Sometimes the ostensible causes of conflict—race or religion—mask underlying hostilities due to the economic ascendancy of a racial or religious minority. Under these conditions the grant of responsible government, which demands a reasonable give and take, may merely lead to a deadlock, even if every care has been taken to secure in the constitution due representation for all sections of the community.<sup>1</sup> Again, in a colony of settlement the white settlers may have representation in the central government, while the natives have only their tribal governments, and the gift of full responsible government at the centre, without reservations, might deprive the native majority of any eventual share in central government when they have become sufficiently advanced.

It is not, therefore, mere conservatism which prevents the British Government from carrying representative institutions to their logical conclusion, the forming of an executive responsible to the legislative body, which then becomes acutely conscious of the necessity of

<sup>1</sup> British experience in Malta, Cyprus, and on a larger scale in the Indian provinces, bears this out.

'carrying on the King's Government'. Even in colonies without minority questions, the political sense of the community may not be sufficiently developed to make full self-government desirable. So liberal an administrator as Lord Olivier thinks that Jamaica is not ripe for an executive council, with a non-official majority.<sup>1</sup> Yet the inevitability of clashes between an irresponsible legislature and an official or nominated executive has been clearly demonstrated in the provinces of British India, in the West Indies and elsewhere. They were pointed out nearly a hundred years ago in that classic of British colonial government, the Durham Report.

'It is difficult to conceive what could have been their theory of government who imagined that in any colony of England a body invested with the name and character of a representative Assembly, could be deprived of any of those powers which, in the opinion of Englishmen are inherent in a popular legislature. . . .

'It was an unhappy consequence of the system which I have been describing, that it relieved the popular leaders of all the responsibilities of opposition. A member of opposition in this country acts and speaks with the contingency of becoming a minister constantly before his eyes, and he feels, therefore, the necessity of proposing no course, and of asserting no principles, on which he would not be prepared to conduct the Government, if he were immediately offered it. But the colonial demagogue bids high for popularity without the fear of future exposure. Hopelessly excluded from power, he expresses the wildest opinions, and appeals to the most mischievous passions of the people, without any apprehension of having his sincerity or prudence hereafter tested by being placed in a position to carry his views into effect; and thus the prominent places in the ranks of opposition are occupied for the most part by men of strong passions, and merely declamatory powers, who think but little of reforming the abuses which serve them as topics for exciting discontent.'

A further and momentous obstacle to the achievement of independence, though not to autonomy within the ambit of the paramount Power, is the question of ensuring the continued integrity of the 'decolonized' territory, its defence against external aggression. When the A mandates were formulated it was expected that the creation of the League of Nations would provide an efficient system of collective security. That hope has not been realized. Even the self-governing States within the British Empire rely more or less upon the United Kingdom for defence; Egypt and Iraq, when they were released from tutelage, agreed to provide facilities for the military support of the retiring tutelary Power. The Filipinos are gravely concerned with the problems which must confront their country if ever American

<sup>1</sup> *Jamaica, The Blessed Isle*, p. 424.

military and naval support is withdrawn. The lessons implied in the conquest of Manchukuo and of Abyssinia have not been lost on colonial peoples. The position in Africa presents many uncertainties. In tropical Africa there will be no countries sufficiently well organized to be able to stand alone for many years to come. They are not rich enough or advanced enough in the art of government. Liberia, nominally independent, is no exception; she has the unofficial protection of the United States. The alteration of the balance of power in Africa by the Italian conquest of Abyssinia and the uncertainty of Germany's attitude in regard to her former colonies make it hard to foresee the future. Recent events have checked nationalist demands in colonies. However irksome metropolitan control may be, it would seem to the subject peoples that, under world conditions to-day, its advantages more than counter-balance its disadvantages. The aspirations of colonial communities in American areas may be towards independence under the shelter of the Monroe doctrine. In Africa they cannot, under any foreseeable conditions, expect complete independence, even in countries which, like the Rhodesias and Kenya, have dominant white communities.

### iii. *The British Empire*

In the British Empire there is a continuous tendency towards de-colonization based on democratic institutions which, in practice, pass through certain recognizable phases. Except in the case of stations maintained for imperial defence, naval, military or aerial purposes, the fifty or more governments which report to the Colonial Office in London or to Dominion capitals are conducted on the principle that they should be, as far as possible, financially self-supporting and should receive some degree of representative government, as a stage towards responsible government.

A critical point in the transition from representative to responsible government comes with the demand for fiscal autonomy. For that reason some people are inclined to date the true beginning of emancipation in India, not from her admission to the League of Nations, but from 1921, when she received power to impose duties to protect her own industries, if necessary against British competition. On the same showing it may be said that Ceylon has not complete autonomy, since her wishes were to some extent overruled in the matter of Japanese quotas in 1934. For French colonies, the policy laid down in the tariff law of 1928 forbids fiscal freedom.

The last stage is that of a self-governing colony, with ministers responsible to the colonial parliament, usually with the reservation

that decisions on certain subjects—minority and racial questions, for instance, where these are acute—are reserved to the Crown. If it is objected that throughout the British Colonial Empire the ascent of the ladder to the status of responsible government is too slow, the answer is that special circumstances often make experiments undesirable; moreover, if once self-government is given and the colony proves incompetent to govern itself, much discontent and even revolt may result from withdrawing the constitution. Or, self-government once given, the last step to independence may be demanded before the colony is ripe for it.

Progress towards responsible government is more rapid in communities where the population is predominantly European, or where a white population with constitutional traditions is in control. The history of the various colonies which were eventually federated in the Dominion of Canada and in the Commonwealth of Australia and included in the Union of South Africa illustrates the point. New South Wales, South Australia and Tasmania achieved responsible government in 1856; Queensland from the date on which it was proclaimed a separate colony in 1859; Victoria in 1855; Western Australia in 1890. Ontario and Quebec received constitutions in 1791, and the United Province so-called responsible government in 1840, but the difficulties arising between the executive and the provincial assemblies were solved only when the British North America Act of 1867 created a federation of the British North American Provinces—Ontario and Quebec (formerly the colony of Canada), New Brunswick and Nova Scotia—and conferred fully responsible government. Prince Edward Island received responsible government in 1851 and was admitted to the Dominion in 1873; the other Canadian provinces were admitted at different dates and have their own provincial governments; the North-West Territory and the Yukon Territory are governed by Commissioners assisted by Territorial Councils, acting under instructions from the Governor in Council at Ottawa. Newfoundland became a self-governing colony in 1855.<sup>1</sup> New Zealand received a constitution in 1847, with ten provinces (afterwards nine) with their own provincial assemblies; the system was superseded by a central government, responsible to a national legislature, established by the Imperial Statute of 1852. In South Africa the Cape of Good Hope (now the Cape Province) and Natal obtained responsible government in 1872 and 1893 respectively. The

<sup>1</sup> Government temporarily placed in the hands of the United Kingdom and constitution suspended in 1933, and revoked in favour of Crown Colony government in 1936.

Cape had enjoyed full representative, but not responsible government since 1853. Both colonies were merged in the Union of South Africa in 1910. Southern Rhodesia, with a history of settlement dating back only to the last decade of the nineteenth century, was formally annexed to the British Crown in September 1923, and in October of the same year Letters Patent conferring responsible government were issued, but certain reservations were maintained. Reservations constituting a kind of dyarchy exist also in the constitutions of Malta<sup>1</sup> and Ceylon. The most important restriction on full self-government in Southern Rhodesia is in regard to the native majority whose interests the Crown is bound to protect. Progress in other parts of the Empire has been slower. Nevertheless, the India Act of 1935 conferred effective responsible government in the provinces and a high degree of self-government on a federated India, though certain limitations remain; and Burma, by that Act severed from India, has received a considerable degree of autonomy.

International recognition of the independent status of Canada, Australia, New Zealand and the Union of South Africa was achieved during the War and the peace negotiations. A resolution of the Imperial War Conference in 1917 provided recognition within the Empire that the status of India was no longer colonial, and international recognition of the position was accorded when she became a Member of the League of Nations, although administrative autonomy was deferred until the India Act of 1935. The Statute of Westminster (1931) asserting the equal status of the Dominions (including the Irish Free State) merely registered established fact.

The most gigantic experiment in decolonization is taking place in India, with over three hundred and fifty million inhabitants with a great variety of languages and creeds, and with one system of government in the provinces of British India and others in the Indian States. The process has been accompanied by violence or by non-co-operation on the one hand and repression on the other. The necessary preliminaries include federation to prevent 'Balkanization' and various safeguards to ensure that the new Indian Empire should be able to 'stand alone' for purposes of defence and financial stability and that racial and religious minorities should be unmolested. There is hardly any problem connected with decolonization that does not arise on a huge scale in India.

Some of the older colonies settled by colonists from Great Britain in the seventeenth century have a long constitutional

<sup>1</sup> The Maltese constitution has been wrecked on linguistic, racial and religious questions, and was replaced by Crown Colony government.

history.<sup>1</sup> Migration did not deprive the colonists of the rights they had acquired against the Crown, and they cherished especially the right of supply. Hence some representative institution which could authorize the collection of taxes had to be found.<sup>2</sup> These constitutions have undergone some revision. But in general the constitution of the colonies gives some degree of representation without a corresponding degree of responsibility, a situation which cannot be permanently satisfactory.<sup>3</sup> To this day the Crown retains the power, concurrent with that of the Parliament at Westminster, to legislate by Order in Council for most of the British colonies, the principal exceptions being a few of the old settlement colonies in the West Indies. In the Colonial Empire, then, the legislative power of the Parliament of the United Kingdom remains intact, subject only to limitations which it has imposed on itself and which it could legally remove. Yet the British Parliament seldom exercises its right to make laws for the colonies except in the granting of new constitutions, since the authority of the British Government can usually be secured through the Crown's control, through official or nominated members, over colonial legislatures. The method of securing the authority of the Governor over the Legislative Council varies in different colonies, but in general the official members have to vote for the policy of the Executive, while the non-official members can rely only on the strength of their arguments, as they are usually in a minority.<sup>4</sup>

The constitutional history of Malta<sup>5</sup> and Cyprus, both of them now reduced to Crown Colony status, illustrates some of the obstacles to the grant of full autonomy before internal conditions are such as to ensure the safe working of responsible government, and explains why autonomy is delayed elsewhere. The reasons for the delay in providing representative institutions for Palestine are still more instructive.

Malta became a self-governing colony, with an executive responsible to an elected parliament in accordance with Letters Patent

<sup>1</sup> See *The British Empire* (R.I.I.A., Oxford University Press, 1937), pp. 203-4, for a discussion of this point.

<sup>2</sup> Sometimes constitutional rights conferred long ago retard the development of the colony by preventing the establishment of a rational constitution giving a proper balance to conflicting interests. See Sir Cecil Clementi, *A Constitutional History of British Guiana* (Macmillan, 1937).

<sup>3</sup> See the quotation from the Durham Report given above.

<sup>4</sup> For a discussion of this question see Lord Olivier, *Jamaica, The Blessed Island*, chap. xxiii, and the *Report* of the Hon. E. F. Wood (now Lord Halifax) on a tour in the West Indies (Cmd. 1679 of 1922).

<sup>5</sup> For a further discussion of this question see W. K. Hancock, *Survey of British Commonwealth Affairs* (Oxford University Press, 1937).

issued on April 14th, 1921, with reservations on religious toleration and education questions, and the charges of the Imperial Government (Civil List). In 1927 a Nationalist Government, having the support of the Church, gave way to a Constitutionalist Government under Sir Gerald (Lord) Strickland, which had the support of the Labour Party. The Strickland Government became involved in a long struggle with the Vatican,<sup>1</sup> and eventually, when public order appeared to be threatened by a continuance of the deadlock, the constitution was suspended and the legislature dissolved by Orders dated June 26th, 1930. For two years the Governor exercised the power to legislate by Ordinance, but on April 25th, 1932, following the report of the Royal Commission which had examined the political situation, Letters Patent were issued amending the constitution. An attempt was made to solve the language dispute by authorizing in primary schools instruction in the vernacular, Maltese, with English as an alternative, while in higher education English and Italian were to be on an equal footing. Maltese was to be used in the law courts if the accused knew no other language. The new constitution came to grief over this education policy, hotly contested by those who regarded Malta as culturally Italian. The Nationalist Government which came into power after the 1932 elections sought to nullify the constitutional law on the language question.<sup>2</sup> There ensued a fresh period of disorder, until, on November 2nd, 1933, the legislature was again dissolved and the constitution suspended. Letters Patent of August 16th, 1934, made new regulations, all three languages being recognized as official. Maltese was the language of the courts, though English- or Italian-speaking persons brought before them might demand that the proceedings be conducted in either language. The islands were administered by the Governor with the assistance of a consultative Executive Council. In this period Italian propaganda reached such formidable dimensions that it was plain a new constitution must be provided, and in 1936 (September 2nd) Letters Patent providing Crown Colony government were promulgated.

Circumstances in Cyprus were different. The British occupation began in 1878, but Cyprus remained nominally Turkish territory until 1914, when it was annexed by Great Britain, the unilateral act being confirmed by the Treaty of Lausanne in 1922. Until recent years Cyprus has had to shoulder some liability for the Turkish

<sup>1</sup> For details see *Bulletin of International News*, July 17th, 1930, vol. vii, no. 2.

<sup>2</sup> For this complicated question see a brief statement, *Bulletin of International News*, Nov. 7th, 1933, vol. x, no. 10.



Debt.<sup>1</sup> During the occupation Great Britain took little interest in the affairs of Cyprus, and the islanders did not think occupation would be permanent. The population is predominantly Orthodox (the church is autocephalous and Greek-speaking) with a Moslem minority. The Christian Cypriots looked forward to union with Greece,<sup>2</sup> and in 1915 Cyprus was actually offered to that country<sup>3</sup> in exchange for immediate participation by Greece in the Allied cause. The condition was not fulfilled and the offer lapsed. The British Government then tied their hands in regard to Cyprus by contracting, under the Sykes-Picot Agreement with France in 1916, not to open negotiations for the cession or alienation of Cyprus without the previous assent of the French Government, an undertaking reaffirmed in the formal Franco-British Convention (December 23rd, 1920). There was no agitation against British control until after the Peace Conference it became clear that incorporation in the British Empire was permanent. It was not allayed by the formal colonial status conferred in 1925 and the grant of a constitution, with a legislature of the Governor, nine officials, and fifteen elected members representing the Moslem, and twelve the non-Moslem communities. Moslems are under their own religious courts of justice in matters of family life, inheritance and so on.

The movement for union with Greece steadily gathered strength, and after the outbreak in 1931 Sir Ronald Storrs wrote that, outside the government service and the realm of government influence and activity, every branch of public life in the Orthodox community was

<sup>1</sup> The Cyprus Convention, providing for the occupation in 1878, provides that Great Britain should pay to the Porte the 'present excess of revenue over expenditure in the island, the excess to be calculated upon and determined by the average of the last five years. The sum was fixed at £92,800, and was known as the Turkish Tribute and now as the Cyprus share of the Turkish Debt Charge. This charge has never been regarded as properly forming part of the Cyprus Public Debt, and a grant-in-aid, at first fluctuating, has always been made in respect of it. From 1911-12 the grant was fixed at £50,000 a year, and, since 1928, it has been increased to the fixed rate of £92,800 a year, but when the Imperial Government assumed the whole of this debt charge, Cyprus was required to make an annual contribution of £10,000 to the imperial defence. Thus, although all the other Turkish 'succession states' escaped liability for the Turkish debt, a heavy burden was attached to Cyprus, and though for the last six years the whole cost has been made up by the metropolitan Power, Cyprus has had to make a contribution to imperial defence.

<sup>2</sup> It is impossible to enter here into the history of Cyprus and the circumstances which made the Greek Cypriots desire union with Greece (for a full account of the movement for union with Greece see *Survey of International Affairs, 1931*, pp. 354-94).

<sup>3</sup> Telegram from Sir Edward Grey to the British Minister at Athens, Oct. 16th, 1915.

in some way allied to the cause of union. Nevertheless, it was the official view that the movement, though strong in the towns, had little influence in the country-side. In the years immediately preceding the outbreak the long neglect of Cyprus had been to some extent made good by the provision of roads and other communications, by irrigation and the encouragement of agriculture.

The main cause of the outbreak in October 1931, when Government House was burned by rioters and the disturbance spread to other parts of the island, was no doubt nationalist feeling. But the immediate provocation was an Order in Council imposing a customs tariff which the elected members of the Legislative Council had rejected, and showing how far Cyprus was from real self-government. The disorders were repressed, and the constitution revoked by Letters Patent which enabled the Governor to legislate by Ordinance.

The long delay in the development of Cyprus may have been due to uncertainty of tenure. There were evidently periods when Great Britain was doubtful of the value of Cyprus, especially with the financial burdens attached to it by the original settlement with Turkey. Changes in the Mediterranean in 1935-6 have given Cyprus a new importance, which may lead to a reconsideration of the constitutional question, since the revocation of representative institutions creates more serious discontent than that arising from their absence where they have never existed.

In Palestine there has been no progress towards self-government, and the mandate itself seems to envisage a more indefinite period of tutelage than was contemplated in the other A mandates. In that document the establishment of the Jewish national home has an equal place with the development of self-government, it being assumed at the time that the two aims were easily reconcilable. Article 2 runs:

'The Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.'

There is therefore a treble obligation on the Mandatory, of which the 'development of self-governing institutions' is<sup>1</sup> only one part. Article

<sup>1</sup> For a further discussion see Hancock, *Survey of British Commonwealth Affairs*. In Nov. 1928 one member of the Permanent Mandates Commission, M. Rappard, maintained in connexion with the Arab demand for parliamentary government in that year that a form of democratic and parliamentary

3 states that the Mandatory shall 'so far as circumstances permit' encourage local autonomy. Article 6, dealing with the encouragement of 'close settlement by Jews on the land, including State lands and waste lands not required for public purposes', includes a saving clause 'while ensuring that the rights and position of other sections of the population are not prejudiced'.

The terms of the mandate, therefore, impose an extremely difficult task. The position was complicated by the war-time promises made by the Allies.<sup>1</sup> The apparent irreconcilability of the Arab rural population and the new Jewish immigration, partly rural but largely urban, has hitherto prevented any progress with the self-governing institutions which the Mandatory would have liked to establish.

Dr. Drummond Shiels, speaking before the Permanent Mandates Commission in June 1930, said the Arab complaint was that while Palestine was, in form, under an A mandate, it was in fact under a B mandate, since owing to the dual nature of the mandate it was not possible for them to attain an independent government. There was no doubt that the Arabs were greatly affected by the position of their co-religionists in Iraq and the Hejaz, one independent and the other with the immediate prospect of independence.<sup>2</sup> The proposed emancipation of Syria makes the situation worse in that respect. Moreover, as the Permanent Mandates Commission reported, the Arabs were faced by a strongly organized Jewish body, under single control and with considerable capital at its disposal, while they had no such resources and were fearful for their economic future.<sup>3</sup>

government was not provided for either in the Covenant or the mandate and that it was not even compatible with the obligations entered into. He found little support in the Commission, but returned to it in the 17th (extraordinary) session in a discussion as to the precedence of the obligations to provide a Jewish national home and a measure of self-government. The Permanent Mandates Commission at its 17th (extraordinary) session adopted a report in which a distinction was made between the objects of the mandate and the immediate obligations of the Mandatory, and defined the latter as placing the country under such conditions as will secure the establishment of the Jewish national home and under such conditions as will secure the development of self-governing institutions. Between the two terms of this obligation the mandate recognizes no primacy in order of importance and no priority in order of execution.

<sup>1</sup> For these promises and their interpretation see a summary statement in the *Bulletin of International News*, June 20th, 1936, vol. xii, no. 25.

<sup>2</sup> P.M.C., XVII, p. 45.

<sup>3</sup> 'The Arab element might have found its interests safeguarded by a government agricultural policy including not only public works to develop the cultivable area, but also the organization of agricultural credit, land credit and co-operative societies, together with an educational campaign which would have initiated them into the working of these institutions, convinced them of their advantages, and familiarized the fellaheen with modern methods of

From 1918 to 1920 Palestine was under military administration. Civil government was established in 1920 under a High Commissioner, assisted by a nominated Advisory Council consisting of 10 British officials, 4 Moslem Arabs, 3 Christian Arabs and 3 Jews. Two years later the High Commissioner, Sir Herbert Samuel, proposed a first step towards self-government in the form of a Legislative Council (to replace the existing Advisory Council) with 22 members—10 official and nominated and 12 elected members, of whom 8 were to be Arabs. The elected members were to form a standing committee on the vexed question of regulating immigration. The Palestine Arab Congress boycotted the elections to the Council and the project was abandoned. An offer a year later to establish an official Arab Agency, a counterpart to the official Jewish Agency (recognized in Article 49 of the mandate), was also refused. The administration was therefore conducted on Crown Colony lines. Ordinances were promulgated by the High Commissioner after consultation with his Advisory Council, giving sufficient notice to allow the communities concerned to discuss them and if necessary to request amendment. This system operated with reasonable success until in 1928 the Seventh Palestinian Arab Congress asked for an elective Parliament.<sup>1</sup>

Conversations with the High Commissioner, Sir John Chancellor, ensued in 1929, but nothing was settled when, in August, there was an outburst of riots following on clashes between Moslem and Jewish devotees at the Wailing Wall in Jerusalem. As a result of these disturbances over 1,000 persons were tried, and three Arabs were hanged. The penal code was strengthened and the garrison was reinforced. During the disturbances 133 Jews were killed, 339 wounded, and 6 Jewish colonies were totally destroyed. Disorder was repressed, but no settlement was reached. The British Government sent a commission, which reported in March 1930 that the fundamental cause of the disturbances was the Arab fear that, by Jewish immigration and land purchase for the provision of the Jewish national home, Arabs might be deprived of their livelihood and eventually pass under Jewish domination.<sup>2</sup> The Commission suggested that a clear statement of policy should be issued by the Mandatory, and that land, cultivation

working the soil, as was recognized by the accredited representative at the present session. The fears that the Arabs felt when they saw the land passing into the hands of the Jews through sale after sale would certainly have been largely allayed had they observed that the cultivable area and the yield of the available land in the country as a whole were increasing at the same time.' (P.M.C., XVII, p. 142.)

<sup>1</sup> For the terms of the demand see *Survey of International Affairs, 1930*, p. 258.

<sup>2</sup> Cmd. 3530 of 1930.

and settlement possibilities should be made the object of a special inquiry. This inquiry, carried out by Sir John Hope Simpson, reported in October 1930 that practically no margin of land was available for new immigrants and that intensive development was required for the execution of the mandate, i.e. for raising the Arab standard of living and providing a margin of land for Jewish colonies.<sup>1</sup> This report was hotly contested by the Jewish community, who pointed out that Jewish funds were available for draining the Huleh swamp in the north and irrigating the Beersheba plain in the south.

The situation was not improved by the issue of the Statement of Policy in the White Paper of October 20th, 1930;<sup>2</sup> nor did a letter from the Prime Minister to Dr. Weizmann on February 13th, 1931, do much to ease the situation.

'They were both judged,' says Dr. Toynbee, 'not so much upon the merits of their contents, or upon their consistency with previous documents, as upon the assumption that they represented the reactions of the Mandatory Power to the political exigencies or expediencies of the moment at which they were published.'<sup>3</sup>

Palestine was extraordinarily prosperous during the depression, partly because of the large employment afforded by the harbour improvements at Haifa, the building of the pipe-line for oil and the electricity programme. But in the years following 1933 events in Europe led to a great pressure for the admission of Jewish refugees,<sup>4</sup> and the greatly increased immigration of those years<sup>5</sup> led to new disorder.

In the meantime some progress had been made with the establish-

<sup>1</sup> Cmd. 3686 of 1930.

<sup>2</sup> Cmd. 3692 of 1930.

<sup>3</sup> *Survey of International Affairs, 1930*, p. 303.

<sup>4</sup> See the figures in Chapter XIX, section ii.

<sup>5</sup> Professor W. K. Hancock (*The Times*, Oct. 13th, 1936) writes: 'When it comes to seeking a parallel for the impact of a highly organized Western community upon a civilized people of more primitive organization the best one is perhaps the Uitlander immigration to the Rand, which was the prelude to the South African War. South Africa can also contribute experience which is relevant to other aspects of the Palestine problem. For it is not merely an economic problem, a matter of wages, employment, and ownership. It is also a national conflict, a conflict between different cultures and conceptions of life and the values, ambitions, and dreams which go with these. This, and not merely economics, was at the root of the struggle between Afrikaner and Briton; this, and not merely economics, was at the root of the long quarrel between the European communities of South Africa and the Indians—a quarrel in which Indian nationalism became deeply engaged. . . . Certainly I do not know any community within the British Commonwealth where an immigration of comparable character operating at a comparable pace would not have produced an explosion. Cause and effect will continue to operate in the future, whatever may be the decision on the question of legal and moral right.'

ment of local government, the first municipal elections being held in September 1934, and in December 1935 new proposals were made by the Colonial Office for the establishment of a Legislative Council with an unofficial majority. It was to consist of 28 members: 5 official members, 8 elected and 3 nominated Moslems, 3 elected and 4 nominated Jews, and 1 elected and 2 nominated Christians, with an impartial President chosen from outside the country, who would neither speak nor vote. It was contended that the Council would represent with reasonable fairness the composition of the population; 825,000 Moslems, 100,000 Christians and 320,000 Jews. Its competence would not extend to discussions of the mandate, the Jewish Agency or the question of immigration. The plan received little support from Jews or Arabs, though there were signs of some yielding on the part of the Arabs.<sup>1</sup>

On May 18th, 1936, Mr. Thomas announced the appointment of a Royal Commission to examine the whole position, but the dispatch of the Commission was delayed owing to the violent disturbances in Palestine. Those disturbances accounted in five months for the death of about 800 Arabs, 80 Jews, and 28 British soldiers and police; the garrison was heavily reinforced in September, and in October a form of martial law was proclaimed. The arrival of reinforcements in Palestine coincided with a change in the situation. The Arab Committee, on the advice of the Arab princes of neighbouring territories, called off the strike, and the way was open at last for the dispatch of a commission which sailed in the autumn.<sup>2</sup>

#### iv. *American Outlying Territories*

The United States has been withdrawing since the War from her commitments in colonial and semi-colonial areas. Her rights of intervention in Cuban economic and foreign relations, retained by the Treaty (1903) between the United States and Cuba, were swept aside when the Treaty was abrogated in 1934; in a new treaty signed on May 29th of that year there were no restrictions on Cuban independence, though a clause was inserted providing for the continuance of the American naval base at Guantanamo Bay.<sup>3</sup> Trouble in the Dominican Republic led to the instalment in 1907 of an American

<sup>1</sup> One of the difficulties in dealing with Palestine is that there is much difference of opinion in the ranks of both parties.

<sup>2</sup> Up to the time of writing the report of the Commission had not been published.

<sup>3</sup> For an account of the troubled history of the relations between the United States and Cuba since 1903 see *Survey of International Affairs, 1933*, pp. 361-93.

Receiver-General to adjust foreign debts, and there was military occupation from 1916 to 1924, when a new convention, still including some restrictive clauses, was signed. In Haiti American financial and economic penetration and French intervention in 1915 led to military intervention by the United States and to the establishment of a virtual protectorate by the treaty of September 16th, 1915. The grounds for the continuance of military occupation, which lasted until October 1st, 1931, were the defence of the Panama Canal and the prevention of intrusion from Europe (i.e. the maintenance of the Monroe Doctrine). But a Treaty of Friendship signed on September 3rd, 1932, provided for the termination of full control at the end of 1934, although some military supervision was temporarily retained and an American Fiscal Representative continued to advise the Haitian Government.

Repeated American intervention in Nicaragua has been due mainly to strategic reasons. Under the Brian-Chamorro Treaty of 1914 the United States acquired the right to build a second Isthmian Canal through Nicaragua, the use of certain naval bases, &c., in return for a payment of three million dollars to be spent under American direction. The American marines who had been stationed there since 1927 were withdrawn in 1933, after an agreement had been reached for an American-officered constabulary and for the supervision of the Nicaraguan elections. The United States retained some financial supervision and the rights for the construction of an inter-oceanic canal.

These interventions in the Caribbean area are not, strictly speaking, colonial adventures. The policy of intervention, adopted to safeguard large American financial and commercial interests in these countries and to prevent the formation of centres of disorder threatening the vital communication through the Panama Canal, has been strongly criticized in the States. No country has more honestly sought to reverse a policy of domination than the United States; and there are strong vested interests which do not desire the retention of territory the produce of which has free entry and competes with that of her own farmers. This latter consideration carried great weight in the steps taken to emancipate the largest and most important of her outlying territories, the Philippine Islands.

The history of the Philippine negotiations is most instructive. It shows the usual phase of colonial agitation for freedom from interference, and for independence. But as the intention of the United States to withdraw became clear the desire for independence seems to have waned. The Philippines passed through the recognized stages: representative government (1907), a degree of responsible

government with certain reservations (1916), and finally, by the law of 1934 which came into force on November 15th, 1935, qualified independence.<sup>1</sup> The Constitution of 1916 was on the American model, and its working shows some of the dangers of imposing liberal institutions in a colonial milieu. An acute observer, Dr. Moresco, in opening the discussion on his report on representative institutions in Asiatic colonies, said that one of the worst disappointments for impatient reformers was to see the representative body, created to defend the interests of the people, and to act as an organ of criticism of the Government and its officials, becoming a means of oppression for the weaker classes.<sup>2</sup>

That is what has happened apparently in the Philippine Islands, where the traditional power of the caciques has been reinforced by the liberal American Reforms, which by instituting a complete Parliament and giving the Philippine Senate the same power over the nominations to public employment as is exercised by the Senate in the United States, have put the whole administration, including the greater part of the administration of justice, in the control of a small number of privileged persons. To judge by official reports and the numerous private reports on the situation of the rural population, these latter have fallen more than ever under the domination of the land-owners and their friends.'

The islands entered on a transitional stage towards independence with the passage of the Independence Act (the Tydings-McDuffie Act), 1934, through the United States Congress, and its confirmation by a plebiscite in the islands. The Act took effect in November 1935 with the establishment of a constitution on the United States model, with the important difference that there is no Second Chamber. After an interim of ten years even the reservations on foreign relations, finance and tariffs are to be withdrawn and independence completed. The constitution provided by the Independence Law is republican in form, and lays down detailed provisions for all departments of

<sup>1</sup> The rapid progress towards independence made by the Philippines has been partly due to the great efforts made by the tutelary Power to promote education. From the outset the American military governor relied on the schools to expedite the process of orderly government. Before the initial revolt had died down the soldiers had started 1,000 schools. By 1902 over 900 trained American teachers were at work, though few now remain, and by 1908 a complete system of education was in being. The number of native teachers in 1934 was 27,000, and school attendance nearly 1½ million. English is taught and has become a lingua franca for a population using 47 different dialects. The schools have diffused not only a knowledge of English but of the first principles of health and sanitation. (See a special article in *The Times*, Oct. 15th, 1936.)

<sup>2</sup> *Compte Rendu* of The Hague Session of the International Colonial Institute (Brussels, 1927), p. 79.



government, including a Bill of Rights, arrangements for civil service appointments by merit, and for land and labour legislation. During this probation period a United States High Commissioner will keep the President of the United States informed on Filipino affairs and on the observance of the Independence Law. With regard to the reservations on foreign relations, tariffs, coinage, loans and quarantine Mr. Thomas Harrington says<sup>1</sup> that they appear to be confined to 'actual direct contractual relations with outside Powers, and that there is no bar to legislation by the new Government on methods concerning foreign residents, trade or shipping, except on matters such as tariffs on foreign goods, which still require the approval of the President of the United States'. The United States can maintain military and naval bases during and possibly after the transition period, which would seem to imply the intention to defend the archipelago against aggression.

As independence drew near the Filipinos showed increasing hesitation to accept it. They rejected the Hare-Hawes-Cutting Act of 1933 which offered similar terms to the Act of 1934 and, in the end, independence, so long desired, was thrust upon them. Separation from the United States means gradual severance from the American markets on which the islands have come to depend, since the terms of the Act provide for the imposition of quotas on Philippine sugar, vegetable oils and hemp, and, at some stage in the transition period, for export duties on certain products, as a means of preparing Philippine producers for the eventual application of the rigours of the American tariff. It is difficult to see how under existing world conditions the free American market can be replaced. Philippine products are in competition with those of Netherlands India, where production costs and standards of living are generally lower, and it is hard to see how the Philippines can put themselves on a competitive level with that country. Moreover, the extent of the naval and military protection which the United States will give is uncertain, and the expansionist policy of Japan, with the extensive economic Japanese penetration already accomplished, is causing much misgiving. There is in Davao a Japanese colony of some 15,000 engaged mainly in hemp production. They are for the most part descendants of Japanese coolies originally enlisted for railway construction work. The Japanese are also active in the fishing industry and they are ousting the Chinese from retail trade.<sup>2</sup>

<sup>1</sup> 'The Philippines on the Eve of Change', in *International Affairs*, Mar.-Apr. 1936, vol. xv, pp. 268 et seq.

<sup>2</sup> A Japanese exporter estimates that the Japanese already control two-fifths

Mr. Roy Howard, after a visit to the islands at the time of the change-over in administration, reported that the move for independence was visibly waning and that, under the Japanese menace, the Philippines were looking for permanent attachment to the United States, or even, if that should fail, to the British Empire.<sup>1</sup> This is perhaps an overstatement, but the fact remains that the first concern of the Filipino President was the organization of military service. 'This shadow of Japanese domination,' writes Mr. G. E. Hubbard,<sup>2</sup> 'which already lay so heavily over China, could be seen spreading ever further afield and already darkening the sky for the inhabitants of the Philippines just at the time when their long-sought independence was coming within sight.'<sup>3</sup>

#### v. *Extinction of Mandates*

Independence was thus in the end rather thrust upon the Philippines by the metropolitan Power. In Iraq both the mandatory Power and the Iraqi were pressing for the abandonment of the mandate when delay was counselled by the Permanent Mandates Commission, which might have been expected to welcome this evidence of the falsity of the common assumption that the A mandates were veiled protectorates destined to indefinite duration. In view of the fate of the Assyrian minority, the fears of the Permanent Mandates Commission seem to have been justified. In haste to disembarrass themselves from the thankless task of administering the mandate against Iraq's overwhelming dislike of tutelage, the British authorities took an optimistic view of the minorities question, not justified by the event.

From the first Iraq had been treated as a protected State rather than as colonial territory. The encouragement of Arab nationalism during the War would have made any other course on the part of the mandatory Power intolerable. Iraq had national sovereignty, and

of the retail trade and that by 1940 this figure will be doubled. The Japanese are producing the finest hemp in the world. They have built their own roads and adopted their own means of pacifying the surrounding hill tribes. Japanese passenger boats, heavily subsidized, are offering greatly reduced fares to the Philippines; and if the Manila railway is sold by its British owners it is likely to pass into Japanese hands. (*The Times*, Oct. 15th, 1936.)

<sup>1</sup> See *New York Times*, Dec. 11th, 1935.

<sup>2</sup> *Survey of International Affairs, 1935*, vol. i, part ii, p. 303.

<sup>3</sup> General MacArthur 'announced that in 1946 the Philippines will be guarded by an army of 400,000 men, a swift off-shore patrol, and 250 aeroplanes, the whole costing no more than \$8,000,000 annually and capable of defying any invaders in the world for at least three years. Local observers at once objected that the Filipinos have neither the means to finance such a scheme nor the temperament and experience to operate it'. (*The Times*, Oct. 15th, 1936.)

yet was under mandate. The British High Commissioner ceased to be the titular head of the Iraqi Government when King Feisal was crowned on August 23rd, 1921, and after the ratification on December 19th, 1924, of the 1922 Treaty, he was not constitutionally responsible, though he could in the last resort insist on compliance with his wishes.

In a treaty between Great Britain and Iraq, signed on January 13th, 1926, the British Government undertook to give consideration at four-year intervals to the possibility of supporting Iraq's candidature for membership of the League of Nations, i.e. to the termination of the mandate. The draft Treaty signed in London on December 14th, 1927, went farther, and declared that, if progress in Iraq continued and all went well, Great Britain would support Iraq as a candidate for admission to the League in 1932; but the draft was never accepted, the Iraqi Government apparently believing that the qualifying clauses would be made the excuse for indefinite delay and that the military agreement was unsatisfactory. After various concessions on military matters had been made by the British Government, the main point of difference remaining was whether Iraq was really in a position to defend her territory, and in January 1929 the negotiations were broken off. Relations between the Mandatory and the Royal Government improved under the brief High Commissionership of Sir Gilbert Clayton (he died on September 11th, 1929). On his advice the British Government agreed to support Iraq's candidature unconditionally, and a memorandum by the Secretary of State for the Colonies dated November 1929 said that unless there was some unexpected set-back, it appeared that, judged by the criteria of internal security, sound public finance and enlightened administration, Iraq was qualified for admission.<sup>1</sup>

The Treaty of 'perpetual peace and friendship' signed on June 30th, 1930, was concluded on terms of complete freedom, equality and independence. It was to come into force on the admission of Iraq to the League and to remain in force for twenty-five years. The annexures of the Treaty provided for the lease of two British air bases, one at Basra and the other west of the Euphrates. It provided for unity of design in armaments, for the instruction of Iraqi officers in British training schools and for facilities for the transport of British troops in Iraq; any foreign military advisers employed by the Iraqi Government were to be British.

The extinction of the mandate required the assent of the Council

<sup>1</sup> For particulars of these agreements see the *Bulletin of International News*, Oct. 15th, 1927, vol. iv, no. 8, and Dec. 5th, 1929, vol. vi, no. 11.

of the League of Nations, and the United States also had to be consulted. Boundary and other questions with neighbouring States required definite settlement, and the international oil companies reviewed their relations with the Iraqi Government.

'These negotiations', writes Dr. A. J. Toynbee, 'with the private capitalists of the Western world for the economic exploitation of the principal natural product of the country were perhaps as formidable, and certainly as momentous for the future of the Kingdom, as the negotiations with Great Britain and the *états limitrophes*.'<sup>1</sup>

Since Iraq was the first of the mandated territories to receive independence and to be admitted to the League of Nations, the nature of the preliminary assurances required from Iraq are of practical interest, since the claims of other territories, whether under mandate or not, for independence and admission to the League will probably be submitted to similar tests.<sup>2</sup> After the announcement of the British Government's intentions (November 1929) the Council requested (January 1930) the Permanent Mandates Commission to formulate the conditions under which the extinction of a mandate might be approved, without entering into the conditions for membership of the League. The Commission expressed the opinion that<sup>3</sup> a country might be presumed to be capable of independence if it had a settled government, the means of maintaining its territorial independence and of preserving public peace, adequate financial resources and the machinery for rendering equal and regular justice; a further necessary condition was that the new government should furnish certain guarantees for the future conduct of the administration to be embodied in a convention or other instrument accepted by the League of Nations. In addition to guarantees for the rights acquired during the existence of the mandates and the maintenance (subject to the ordinary rights of denunciation) of conventions signed during that period, the new State should give guarantees for the effective protection of racial, linguistic and religious minorities. It would be desirable that the new State, if hitherto subject to the economic equality clauses, should give assurances securing equality to Members of the League on conditions of reciprocity for a reasonable period.

Additional information on the condition of Iraq was supplied to the Permanent Mandates Commission in the form of a *Special Report*

<sup>1</sup> *Survey of International Affairs, 1934*, p. 193.

<sup>2</sup> For the assurances demanded in respect of the personal and property interests of foreigners see P.M.C., XXI, Annex II.

<sup>3</sup> P.M.C., XX, Annex 16.

on the Progress of Iraq during the Period 1920-31, examined by the Commission at its Session of June 1931. Readers of Dr. Toynbee's analysis of the proceedings of the Permanent Mandates Commission and the Council will see that some hesitation was shown in both quarters as to the ability of the Iraqi Government to fulfil all the conditions necessary for emancipation and for membership of the League of Nations.<sup>1</sup> The British High Commissioner, Sir Francis Humphreys, assured the Permanent Mandates Commission in June 1931 that, given the support and inspiration of membership of the League, Iraq was now fit to stand alone and was capable of self-government. He added later that 'should Iraq prove herself unworthy of the confidence that had been placed in her, the moral responsibility must rest with His Majesty's Government, which would not attempt to transfer it to the Mandates Commission'.<sup>2</sup> The text of the Draft Declaration required from the new Government, with the special requirements in respect of minorities, appears in the *Official Journal* for July 1932.<sup>3</sup> The Declaration being signed and ratified, Iraq was admitted at the meeting of the League Assembly on October 3rd, 1932.

The unhappy history of the Assyrians in the new State showed that the forebodings of some members of the Council<sup>4</sup> of the League of Nations were not altogether unjustified. But some part of the blame, Dr. Toynbee thinks, must rest with the British,

'first for having compromised the Assyrians' relations with the Arabs by taking the Assyrians into British military service to suit British convenience, and in the second place for having prematurely sought and obtained release from their mandatory responsibilities in Iraq—again, to suit British convenience—with the result that the Arabs and Assyrians, after having been embroiled with one another, were now left to settle accounts between themselves as best they could'.<sup>5</sup>

In Syria the process of decolonization was hastened by the serious troubles with which the mandatory was confronted. The Syrians were no doubt encouraged in their demand for independence by the success of the Iraqi in disembarassing themselves of control. By the terms of the mandate, an organic law for Syria and the Lebanon was to be promulgated within three years from the coming into force of the mandate. This law was to take into account the wishes, interests

<sup>1</sup> *Survey of International Affairs*, 1934, pp. 199-216.

<sup>2</sup> For the limited interpretation placed on this declaration in Great Britain see *Survey of International Affairs*, 1934, pp. 150-1, fn.

<sup>3</sup> pp. 1347-50.

<sup>4</sup> See the French and Norwegian speeches at the Council Session of May 19th, 1932.

<sup>5</sup> *Op. cit.*, p. 210.

and rights of all the populations, and was to be followed by measures paving the way for the independence of Syria and of the Lebanon. It is not surprising that the execution of this programme proved, if not impossible, excessively difficult. The task was complicated by the Syrian insurrection of 1925-6, by boundary questions between Syria and Lebanon (General Gouraud had added certain Syrian districts to Lebanon in 1920), and by general unrest, but the main difficulty was perhaps the existence of four administrative units, the Republic of Syria including the autonomous sanjak of Alexandretta; Latakia, formerly the Alawiyya; the Lebanese Republic; and Jebel Druze; and the existence, in addition to the separate indigenous groups, of a large influx of foreign elements from other parts of the former Turkish Empire. The majority of the population are Moslems; there are half a million or so Christians belonging to various communities; Maronites, Greek Catholics (Uniate), Armenian Catholics (Uniate), Armenian Protestants, Melkites and Orthodox.

Efforts to formulate a Syrian constitution<sup>1</sup> met with great obstacles. Such a constitution must, in the terms of the mandate, 'be framed in agreement with the native authorities and shall take into account the rights, interests and wishes of all the population inhabiting the said territory'. A draft constitution, adopted by the Constituent Assembly, which met after the elections in 1928, was unacceptable to the French Government, parts of it being incompatible with their international obligations as a mandatory Power.<sup>2</sup> In May 1930 the High Commissioner dissolved the Assembly, and promulgated a constitution of his own, almost identical with that drawn up by the Assembly, with the addition of an important clause, Article 116. This article provided that all the clauses of the constitution affecting the international obligations undertaken by France, particularly towards the League of Nations, would have no effect until an agreement had been reached between the French and Syrian Governments. There was to be a Conference on common interests between the Governments, to

<sup>1</sup> The constitution of the Lebanese Republic had been promulgated on May 23rd, 1926, and twice subjected to revision since that date.

<sup>2</sup> The Permanent Mandates Commission had indeed issued a warning on this point, in their report to the Council of the League for 1928: 'The Commission . . . appreciates the liberality of the policy which is being pursued, and hopes that this policy will lead in the near future to the adoption of the Organic Law provided for in the Mandate. Nevertheless, while recognizing that the country must be prepared for that emancipation which is the aim of the Mandate by a policy that will gradually accustom it to self-government, the Commission hopes that, until the moment has arrived, the Mandatory Power will retain such a measure of authority as will fully enable it to continue to direct and superintend this evolution, and to fulfil all its obligations to the League of Nations.'

consider solutions of the difficulty of separating the mandate into practically five units, since Turkish-speaking Alexandretta had its own régime within the Syrian Republic.

For nearly two years the Republic of Syria was administered by a Provisional Government, but early in 1932 elections were held which resulted in the formation of a Chamber with an overwhelming 'moderate' majority. With this new Syrian Government treaty negotiations began at the end of 1932 and continued until November 16th, 1933, when a treaty of friendship and alliance between France and Syria was signed by the Prime Minister and the French High Commissioner.

While the British were working for unification in Iraq, the French in Syria provided territorial autonomy for the main groups, as the mandate required them to 'facilitate the progressive development of Syria and Lebanon as independent States'. The fundamental difficulty was that the proposed treaty was between the Governments of Syria and France, whereas Latakia and the Jebel Druze were outside Syria. So that there would apparently have to be a treaty zone and a mandate zone. The effect of this differentiation within French mandated territory, as Dr. Toynbee pointed out, would be to cut off the Syrian party to the Treaty from access to the sea, since the Syrian ports of Sur, Sayda and Tarabulus (Tripoli) were in Lebanon, Latakia was autonomous, and the nominally Syrian port of Alexandretta was under a special régime.<sup>1</sup> Syrians were determined not to emerge as a State by acquiescing in the cutting off of the other territories. The Syrians wanted unity; the minorities generally were in favour of maintaining existing local autonomy. Opposition to the Treaty and to the accompanying protocols was directed also against the military clauses and the continued French control of tariffs. Moreover, the Treaty did not abolish the capitulatory régime. Unfortunately, a good deal of bitterness had been aroused during negotiations and, when finally the Treaty came up for discussion in the Syrian Chamber, it was rejected.

On November 26th, at the request of the High Commissioner, the text of the Franco-Syrian Treaty was withdrawn by the President, and on December 7th the President was empowered provisionally to promulgate decree laws—especially in budgetary matters—under the supervision of the High Commissioner. On November 2nd, 1934, after disturbances at Aleppo and elsewhere, the activities of the Syrian Chamber were suspended. Franco-Syrian relations relapsed once more into deadlock.

<sup>1</sup> *Survey of International Affairs, 1934*, p. 293.

There were serious disorders in January and February 1936, and on February 11th a measure of martial law was imposed in the towns. On February 25th a letter from the High Commissioner to the Prime Minister was published, expressing his desire to prepare for the conclusion of a treaty on the Anglo-Iraqi pattern preliminary to the candidature of Syria for the membership of the League of Nations. Arrangements were then made for a Syrian delegation to Paris, where on September 6th, 1936, a draft treaty of friendship and alliance was initialled. In its general lines it followed the Anglo-Iraqi Treaty, but provision for the treatment of 'Compact' minorities, neglected in the former, was given some precision in the Syrian Treaty. The minority communities in Jebel Druze and Latakia were to enjoy a special form of administration similar to that existing in the Sanjak of Alexandretta, and France, by a military convention annexed to the Treaty, had the right to maintain troops in the Jebel Druze and Latakia. This Treaty could only come into force after it had been agreed by the properly accredited Syrian Government; it was unanimously ratified on December 26th by a Parliament with an overwhelming Nationalist majority. It appears to leave some problems still unsolved, since the Syrian Government will still have only qualified control of the principal port, Alexandretta, which, owing to protests made by the Turkish Government, is to be under a special régime, the details of which are still under discussion.

Negotiations for a similar treaty between France and the Lebanon Republic resulted in the signature at Beirut on November 13th, 1936, of a treaty which was ratified by the Lebanese Parliament on November 17th.

#### vi. *The Education of Backward Peoples in Self-Government*

Decolonization proceeds to the goal of independence only in countries which are economically and politically advanced. Over the whole of tropical Africa and the greater part of the Pacific area this prerequisite has not been attained, and direct advance on Western democratic lines is not feasible. Nor is it certain that, with the declining prestige of parliamentary institutions in Europe, advance on these particular lines offers the best means of progress even for the more advanced non-European countries.

There is evidence that races and tribes deprived of social and political responsibility tend to lose heart and to decline in numbers. One of the main interests and objects in life, defence against external enemies, is removed by the protection of the colonizing Power; severe inroads have to be made on native custom where it embodies manifestly anti-



social practices; and native justice, perhaps imperfect but generally understood, is often replaced by an alien law which appears to those subjected to it to have little relation to the known facts of life.

Various remedies have been sought. In north Africa the French Government of Algeria and the French Residents in Tunis and Morocco adopted for the Moslem populations the Islamic law already in force. In Morocco a great work was done, with the assistance of Moslem jurists,<sup>1</sup> in codifying local law and practice, introducing simplification; and in some other countries efforts have been made to put existing legal systems on a workable basis. Native rulers are helped to work their own legal and administrative systems, restrictions being placed on barbarous practices anti-social in character, such as cannibalism and head-hunting, or definitely dangerous to health, such as the burying of the dead under the floor of the hut, as was the practice of some Papuan tribes.<sup>2</sup>

The disturbance caused by the sudden imposition of European law is well described by Father Charles, writing of backward Africans. He says:

'The violent overthrow, by the intrusion of a European code, of all his juridical conceptions, which form for the native a coherent system in which he can move safely; the replacement by an incomprehensible arbitrament of the traditional rules which regulate the main acts of his life and his daily relations with his own people; the imposition upon him for his marriage, his contracts, his loans, his rights of succession, the fate of his children, foreign laws and jurisprudence—these induce a profound disequilibrium, general uncertainty, and the ruin of the whole system of rights and duties which provide protection for his existence.

'... These metropolitan codes, in spite of all their merits, are not the

<sup>1</sup> The dahir of Aug. 4th, 1918, attributes judicial powers to the Sultan who continues to exercise them through the cadis, on the one hand, and on the other hand through the pachas and the caids. Though there are many difficulties in establishing a satisfactory system, especially since Koranic tradition placed judicial power in the hands of religious authority, the question was how to maintain the religious sanction and at the same time to put an end to the administrative abuses which had grown up around the system. Happily the first President of the Court of Appeal at Rabat had studied, in collaboration with learned Moslem jurists, the possibility of codifying customary law. The result of the joint efforts of the jurists and the Resident General was the establishment of a system of impartial justice on traditional lines (L. Barthou, *Lyautéy et le Maroc* (Paris, 1931), pp. 133-4).

<sup>2</sup> For the difficulty of suppressing customs which appear to be definitely anti-social, and the importance of proceeding slowly by educational methods, see *Papers relating to the Health and Progress of Native Populations in Certain Parts of the Empire*, Col. no. 65, 1931, which gives replies of colonial governors to a circular letter issued by Lord Passfield, partly at the instance of a Committee for the protection of coloured women in the Crown Colonies.

expression of a sort of universal and abstract right, valid for all free men. . . . Certain juridical notions incorporated as axiomatic in our codes have no meaning for most natives, at all events, no equitable meaning. When we find an object lost by its proprietor, our duty, according to law, is to return it intact. . . . I have not met a single native who sees anything in this law but absurdity or even an unjust spoliation. The question of a lost goat, for example: without the original possessor I should never have refound it; without the finder he would never recover it. The goat therefore belongs to both of us, in equal shares, and if he wants to have it back, he should pay half of the price, that is, the equivalent of my part of the transaction.<sup>1</sup>

In opening up vast new territories, colonizing Powers had to leave some authority with local chiefs and local courts of justice. Direct administration is impossible until the foreign staff have learned something about the country, the languages spoken and conditions of life generally. Moreover, the treaties by which dominion was established often stipulated for the retention of some authority by native rulers. Devolution in some form or other was inevitable, and for social and political reasons it has been maintained and extended after the immediate necessity passed.<sup>2</sup> Similar circumstances have given rise to similar policies of devolution of this kind in the British, Dutch and French Empires. This devolution to native princes and chiefs has been the most common method of retaining a certain continuity in development and of limiting the responsibilities of colonial governments. It is the principle which was followed over large areas of India, to some extent in Indo-China and, with the difference that a much closer supervision was maintained, in Malaya and Netherlands India. The rulers of the Malay States are bound by treaty to accept the advice of the Resident or Adviser in all matters except religion and custom. The system has its advantages, and above all its convenience. But in its laxer forms there are considerable

<sup>1</sup> Pierre Charles, S.J., *Le Problème des Centres extra-coutumiers* (Brussels International Colonial Institute, 1936), pp. 113-17.

<sup>2</sup> The Basuto chief, Moshesh, formulated the principle of Indirect Rule in a letter to Queen Victoria as long ago as 1862. He said: 'What I desire is this; that the Queen should send a man to live with me, who will be her ear and eye, and also her hand to work with me in political matters. . . . My "House" is Basutoland. So that the Queen rules only through me. The man whom I ask from the Queen to live with me will guide and direct me and communicate between me and the Government. . . . I wish to govern my own people by native law, by our own laws; but if the Queen wish after this to introduce other laws into my country, I would be willing; but I should wish such laws to be submitted to the Council of the Basutos; and when they are accepted by my Council, I will send to the Queen and inform her that they have become law.' (Cited by R. L. Buell, *The Native Problem in Africa* (New York, 1928), vol. i, p. 165.)

disadvantages. Despotism, with extravagant courts, often place heavy financial burdens on a poor peasantry, burdens originally offset by the defence provided, but sometimes continued after peace is secured by the colonizing Power. There may be advance under enlightened princes, but stagnation under the less enlightened. It is objected by some that the native system, though it has been shorn of its worst abuses, has, by the very fact of its subordination to the colonial authority, lost also its dynamic functions of constitutional evolution.

These various methods of devolution are often spoken of as indirect rule. But by 'indirect rule' is meant a different system which might well have acquired a better description. Indirect rule is the system first elaborated in Nigeria by Sir Frederick (now Lord) Lugard as a means first of all of dealing with an unmanageable administrative problem in a large and populous country;<sup>1</sup> it developed into a philosophy of native administration directed towards the education of primitive peoples for the orderly control of their own affairs, without too suddenly importing European ideas; towards the fostering of native institutions with the definite purpose of providing a civilization not alien but having its roots in the past; and towards building on the foundations of those institutions a real administrative and financial local autonomy. Native social practice and judicial procedure are by careful guidance gradually to be brought into agreement with Western conceptions, instead of being replaced by alien institutions imperfectly understood. In this way native societies may become active units of local government and the native social organization, with its restraints, will be maintained. Indirect rule, in Lord Lugard's words, is intended 'to promote the evolution and adaptation of native institutions as opposed to Europeanisation and assimilation'.

Native societies are to be educated in the responsibilities of government; they are to learn responsibility by experience, including, if necessary, some regrettable mistakes. They exercise considerable financial responsibilities.<sup>2</sup> What is distinctive in this policy is the conception of natural growth as desirable in itself, and of outside

<sup>1</sup> After a campaign of a few months in what is now Northern Nigeria he found himself in charge of an area with a population of some nine millions, under the government for the most part of Mohammedan emirs. He had no alternative but to leave these governments in being, leaving at each court a British official charged with securing the suppression of slavery and a minimum of good government. The experiment succeeded beyond expectation and was extended to Southern Nigeria, where there were no such large existing units; native authorities had to be replaced in cases where the organization had lapsed.

<sup>2</sup> See the note on Nigerian Administration in Appendix X, section i.

interference as sometimes inevitable but undesirable, except for the prevention of gross offences against fundamental principles. Miss Perham has pointed out that elasticity is the essence of the theory and that indirect rule should not tend to stereotype existing conditions.<sup>1</sup> It is an accident of history that indirect rule should usually be based on chiefdoms. The aim is to build African constitutions on realities, and 'among these may be the diminution of the authority of chiefs and the rise of an educated class'. The success of the system in west Africa and in Tanganyika has been possible 'because the rulers have entered into partnership with the positive forces in native society, and have put themselves, as far as humanly possible, into psychological harmony with peoples who, under the abnormal conditions of Africa to-day, are easily driven into a fatalistic apathy'. The permanent success of indirect rule depends on how far the 'positive forces' can be developed. This is largely a matter of education in the ordinary sense of the word. Unless administration is in the hands of educated chiefs, the pace of advance will be too slow, and the younger educated natives will rebel against a system which provides insufficient scope for their newly acquired knowledge and compels their conformity with a custom they hold to be obsolete. Education is the natural solvent of primitive custom, and the danger is that evolution under indirect rule will not move fast enough to keep pace with education. Contact with Western civilization induces impatience with tribal rule and tribal restraints, and tends to drive some who would be the natural leaders of the development of their own people to seek life in a free environment.

In practice a system of this kind can never be reduced to rule-of-thumb methods. It demands from the advisers to the native authorities training, knowledge of the psychology and history of the people and a constant skill and attention to determine when to interfere and when to leave well alone, when to hasten the development of more advanced methods and when to advise a slowing down of progress too rapid to be assimilated.

Sir Donald Cameron, during his tenure of the governorship of Nigeria, where he developed principles laid down by Lord Lugard,<sup>2</sup>

<sup>1</sup> In discussing the administration of the High Commission Territories in South Africa (M. Perham and L. Curtis, *The Protectorates of South Africa* (Oxford University Press, 1935), pp. 107 et seq.). For adverse criticisms of indirect rule, see Sir James Currie, 'The Educational System in the Anglo-Egyptian Sudan, 1900-1933', in *Journal of the Royal African Society*, vol. xxxiv, pp. 41-59 (Jan. 1935); W. R. Crocker, *Nigeria, a Critique of British Colonial Administration* (Allen and Unwin, 1936).

<sup>2</sup> *Principles of Native Administration and their Application*, Lagos, 1935.

has formulated some rules for the rather difficult technique of applying them. It is easy, he points out, for the responsible British officer to use the chief or other native authority as a mouthpiece through which to communicate the orders of the Government, but this is not indirect rule in the sense understood by Lord Lugard and his school. First of all, there must be a native authority genuinely accepted by the people, who are ready to obey it because its practice is in accordance with their tradition and custom.<sup>1</sup> It is the business of the British official to see that violence is not done to reasonable social customs, and at the same time that the rights of the people to justice and fair treatment under British administration are fully assured, and that opportunities of development are not denied. The danger of a reactionary conservatism is obvious.

On the installation of a new native ruler in Benin, a minute was issued by the Governor pointing out that, if native administration through the chiefs was to endure, it must be based on progressive principles which accord with the responsibilities assumed by the colonial power. For that purpose some direct intervention appears to be preferable to control from behind the scenes. The Minute says:

'I propose therefore that for the future the Resident should exercise in Nigeria the same function as he exercises elsewhere in the British dependencies, that is, function openly as the adviser of the Native Administration and take a directing interest in its day-to-day affairs. He should sit with the chief and his council when it meets and advise them and direct them in the daily acts of the administration. The council should meet at regular intervals as may be arranged with the Resident, and the chief should obtain the approval of the Resident before issuing any orders that are not in accord with approved policy, that is, policy approved by the Resident. All orders will continue to be issued in the name of the chief in order that his authority may in no way be impaired in the eyes of his people; no direct orders to the people will be issued by the Resident or the administrative staff, and the Resident will be directed to take the greatest care that the religious scruples and racial susceptibilities of the chief and his people are respected.'

Critics of the system of indirect rule had asserted that the British authority was in fact propping up a new African feudalism which was prepared to be benevolent and paternal to the native so long as he did not aspire to a full share of the advantages of Western civilization. Sir Donald Cameron replied that he thought that a safeguard against

<sup>1</sup> Tradition is very persistent in Africa, and if the authority backed by the alien Government is not in the authentic tradition, its control may be only superficial; real power has sometimes been exercised for long periods by an organization driven underground.

stagnation was to be found in greater publicity for the working of indirect administration, such as existed in the native administrations of Tanganyika. He detected a tendency to drift into thinking that a feudal autocracy was the be-all and end-all of indirect administration. Moslem administrations in Northern Nigeria had perhaps been unduly sheltered. Moreover, many pagans had been placed under Moslem authority, because when the country was taken over Moslems were already exercising that authority over the pagans they had conquered. This fact made watchfulness on the part of Government essential.

The relations between British Government officials and the native authorities are regulated by minute instructions, and the position is summarized as follows:

‘The prestige and influence of the Native Authorities can best be upheld by letting the peasantry see that the *Government itself* treats them “as an integral part of the machinery of the Administration”. That there are not two sets of rulers, British and Native, working either separately or in co-operation, but a single Government in which the Native Chiefs have well-defined duties and an acknowledged status side by side with the British officials. Their duties should never conflict and should overlap as little as possible; they should be complementary to each other, and the Authority itself must understand that it has no right to its place and powers unless it renders proper service to the State. It is obviously desirable that Government should be called upon as rarely as possible to intervene between the Native Authority and the people, for if a Native Authority has lost prestige and influence to such a degree that it has to appeal to Government to enforce its orders it becomes not merely useless but a source of weakness to the Administration. This does not of course mean that any community may by appealing to Government throw off its allegiance to a Chief, or that mere unpopularity, which may be due to the exercise of very necessary discipline, forms any grounds for the deposition of a Chief.’<sup>1</sup>

Indirect rule on the Nigerian model has been adopted throughout British West Africa in the Gambia, in Gold Coast, Sierra Leone and the mandated territories, and in recent years in some east African areas.

The system followed by the Dutch in Netherlands India and by the British in the Federated Malay States has very close analogies with the ‘indirect rule’ of the Lugard school. Village life and village institutions have been carefully fostered by both administrations.

French Governments have shown a preference for the direct method, but circumstances and the apparent success of the Nigerian experiment have led to some relaxation of the system in Africa, though

<sup>1</sup> Cameron, *op. cit.*, p. 26, para. 46.

with more limited and utilitarian aims in view than those put forward by the British advocates of indirect rule.<sup>1</sup> The chiefs in French Equatorial Africa, for instance, have no real administrative power. None of the administrative units have their own treasuries. The business of the chiefs is to collect the taxes and act as the mouthpieces of the administration. In west Africa beginnings of responsibility are being made, but not yet on an extensive scale. Indirect rule in the Lugard sense is directly opposed to the French system, which is to make Africans Frenchmen and educate them to appreciate and to share in the advantages of French civilization. Pending this advance, Frenchmen hold many posts in government, trade and the professions which in the British west African colonies are held by natives, though some natives become completely assimilated and reach high positions in French West Africa.

Dr. de Kat Angelino, whose book on *Colonial Policy* is a mine of wisdom, cites two such different authorities as Viscount Bryce (*Modern Democracies*) and Professor Mukerjee (*Democracies of the East*) on the importance of building up the edifice of democracy on local existing institutions.

He notes that Lord Bryce's insistence on the use of every existing organ of local self-government, however small its range, in building up modern democracies, applies with equal force to the development of self-government in colonial areas. If no such organs exist they should be created and entrusted with local affairs of common interest. Small areas are better for the purpose because they afford better opportunities of mutual trust and sound judgement and of fixing and enforcing responsibility. The author points out that Mukerjee and many other Eastern writers have hailed the Western tendency towards decentralization as corresponding precisely with the basic idea of the small territorial units of the East. Mukerjee has warned all reformers in India against the errors of Western democracy, urging them to build up a safer and surer political edifice from the bottom on the foundations of village or caste panchayats, occupational guilds and other local or non-local bodies and assemblies.<sup>2</sup>

The greatest obstacles to maintaining and extending real indirect rule in the Lugard sense and bringing it to full fruition occur when industrialization<sup>3</sup> removes large numbers of the younger and more active sections of the community from the life of the village and the tribe for considerable periods, and sometimes for

<sup>1</sup> See Appendix X, section iii.

<sup>2</sup> A. D. A. de Kat Angelino, *Colonial Policy*, 2 vols., English translation (The Hague, 1931), vol. i, p. 433.

<sup>3</sup> See Chapter X.

good. The detribalized natives in the mining centres and the plantations, on the one hand, and the Europeanized natives of the older colonies of Senegal and the larger coastal centres of Gold Coast and throughout the Union of South Africa, on the other hand, present their own problems. The latter group have been in contact with Western civilization for a century, and assimilation to European law and custom is the natural solution of their problems, though an attempt is being made in the Union to delay it by segregating the pure native, but not the coloured man. The native coming from a tribal environment to the mine or the plantation is in a very different position. Many interesting suggestions for resolving some of the contradictions which have arisen have been made, but there is no complete solution of the problem of maintaining and developing native village and tribal institutions and at the same time withdrawing from the village and the tribe a most important part of the adult men, who, if they return, bring back an outlook on life acquired in European surroundings. This makes their reintegration difficult, and sometimes creates centres of discontent and revolt.

Apart from this difficulty of maintaining native institutions intact in face of the disintegration due to the search for work in distant centres, many critics think it impossible to prevent the disruption of native law and custom, and consider that the attempt to preserve them may prevent progress and not provide the advance expected by the partisans of 'indirect rule'. Some codification of custom appears to be necessary, and it is argued that the process involves subtle alterations and tends to standardize custom at a given level, whereas the essence of custom as distinguished from written law is that it provides a constant adjustment to ever-changing circumstances. English administrations generally insist on written records of cases, which will result in the gradual adoption of the necessary changes in the body of custom, on the analogy of the growth of common law in England. If administration of law were in the hands of foreign lawyers written records would stabilize customs, but if it is administered by the natives the necessary adjustments of living custom will be made, and it will be a dynamic force.

Though most magistrates in French colonies are members of the magistracy of France, they have special training and experience of native customs. Custom, however, is always changing under contact with modern conditions. In the Cameroons tribal tradition is being weakened by the individualistic outlook of the younger generation of natives, who, having spent some time on the coast, have lost respect for the authority of the chiefs. The French administration is



attempting to consolidate tribal authority by strict supervision and the removal of incompetent chiefs.

For Togoland and the Cameroons customary codes are being compiled, but slowly and with great difficulty, owing to the variety of races and customs; and where, as in French West Africa, a customary code has been established, there is the danger that clandestine native courts may be set up. These were found to be secretly in existence in the Cameroons after thirty years of German occupation.<sup>1</sup>

The difficulties of the adaptation of customary law were well summed up at the International Colonial Conference of 1936 by Father Charles:

‘Custom belongs to the community itself, but to remove from the community the right of interpretation and of transformation is an act of violence more serious, though less visible, than the confiscation of arable land or of forest. Now, as soon as custom is written down, formulated in legislation, and invested by the European Power with its omniscient authority, it is applied, no doubt, to the native community as a caning may be applied, but it no longer belongs to the community. It has passed into other hands, where it is not easy to seek. Custom thenceforth becomes the business of lawyers and white administrators, and of those who can read and interpret texts. . . . Primitive custom is an infinitely delicate and flexible instrument, ranging from simple good form to absolute precept. It is not isolated from circumstances. It finds expression in requests rather than in orders. It contains, so to speak, its own jurisprudence. It is the property of its users and not a sort of yoke imposed by written documents. Its variations and adaptations follow individual and collective situations; it has at its disposal the whole range of sanctions, from ridicule, unspoken disapproval, social ostracism, up to the most serious penalties which can be inflicted.’<sup>2</sup>

It is clear that administration on the lines of indirect rule demands extraordinary qualifications on the part of the administrator whose business it is to give advice and guidance to native administrations.

<sup>1</sup> See a special article in *The Times*, ‘Account of Session of the Permanent Mandates Commission’, Mar. 31st, 1936. Further, see Appendix X, section iii.

<sup>2</sup> Pierre Charles, S.J., *Le Problème des Centres extra-coutumiers*, pp. 118–27.

## CHAPTER XIII

### COMMON PRINCIPLES OF ADMINISTRATION

Regulation by international conventions—conditions prescribed by the mandates—influence and working of the mandates—question of supervision—dangers of differences in policy—advantages of common action in face of criticism from within and from without.

THERE are certain aspects of colonial administration which are already being standardized by the application of international conventions; other aspects of colonial life might usefully be regulated in the same way.

General principles of native administration were accepted by the colonial Powers in the nineteenth century. In addition to the 'Declaration relative to the Slave Trade', the Berlin Act of 1885 included, in the Declaration on freedom of trade in the Congo Basin, a paragraph binding African Powers 'to watch over the preservation of native tribes and to care for the improvement of the conditions of their moral and material well-being'. The Brussels Act (1890) further laid down the principle that roads and railways should be developed in order to counteract the slave trade and substitute economic means of transport for the existing portage system. Article 2 provided that natives should be instructed in 'agricultural works and industrial acts so as to increase their welfare' and commercial undertakings should be rendered strictly legal, 'especially by controlling contracts of service with natives'. The early history of the Congo Free State and of some other African colonies shows that these internationally accepted principles were not carried out. Nor is this surprising, since no authority was set up to watch over the observance of the conditions.

In general terms Article 23 of the Covenant of the League of Nations prescribed 'fair and humane conditions of labour', 'just treatment of native inhabitants', and the acceptance of general supervision by the League of the execution of agreements with regard to the traffic in women and children, in opium and dangerous drugs, and the arms trade. For the administration of mandated territories a code was prescribed which has created a standard of administration in the mandated territories themselves and has a contagious effect upon neighbouring dependencies not hitherto under mandate.

The primary advantage of the mandates system perhaps lies not in economic equality clauses,<sup>1</sup> but in the limits set on the exploitation

<sup>1</sup> Dealt with in Chapter V above.

of subject populations. The B mandates (except in the case of the French Cameroons and Togoland)<sup>1</sup> forbid militarization; insist on the suppression of the slave trade and the steady elimination of domestic slavery where this persists; prohibit all forced or compulsory labour 'except for essential public works and services, and then only in return for adequate remuneration' (for Ruanda-Urundi the last clause is omitted, and the first reads 'public works and essential services'); prescribe strict control of the traffic in liquor and in arms; demand protection of native interests in recruitment and contracts of labour and against usury; require the consideration of native customs and native rights in respect of land, and forbid alienation of native land to non-natives, except with the consent of the public authorities. They constitute a real charter of native rights. Whether eventual emancipation from control is contemplated is not so clear.<sup>2</sup>

In the C mandates the clauses relative to land tenure, recruitment and contracts of labour and usury are omitted, although most of the territories are inhabited by backward races who would appear to need such protection. The mandatories are, however, required to 'promote to the utmost the material and moral well-being of the inhabitants', to see that the slave trade is prohibited and to permit no forced labour except for 'essential public works and services, and then only for adequate remuneration'. The traffic in arms and the sale of intoxicating beverages and spirits to the natives are prohibited.

The enactment of the clauses relative to native interests has undoubtedly raised the standard of native administration in the B mandates to the level of the best-administered colonies at a similar stage of development, and, especially in the stipulations with regard to land tenure, above the level of many. Moreover, in the sixteen years since the institution of the mandates, their influence has spread beyond the bounds of mandated territories.

The mandated territories in Africa are sandwiched between non-mandated territories, the frontiers often cutting across tribes.

<sup>1</sup> No use has been made of the absence of the demilitarization clause in either case.

<sup>2</sup> M. Beau said (P.M.C. VI. 13-14): 'The Commission has discovered that its members are not wholly agreed on the ultimate goal contemplated by the Covenant. Does it envisage self-contained national cultures developed and maintained by the effort of the people who now live there and their descendants on the roots of the existing cultures? Or, on the other hand, does it envisage communities, efficiently governed and utilizing their natural and human resources to the full, composed of the people, native or immigrant, who have shown the greatest capacity to develop the territory? Self-determination or civilisation—the two ideals perhaps ought not to be in conflict and often they are not, but so long as civilisation is interpreted by each nation in its own image they are likely to be.'

The African will be in frequent contact with his brother across the border, especially where the two are under the same Power, and differences in treatment will not escape the notice of either. Consequently it will be hard to maintain different standards of administration and, where the 'mandatory' standard is better, there is bound to be great pressure for the raising of administration in a neighbouring colony to that standard.

If all colonies were isolated, wide divergences in policy might be less dangerous. But migration of labour and the general narrowing of the world by modern systems of communication make the situation critical. When colonies are contiguous, the frontier is no barrier to disease, locusts and ideas, though it may be to bales of cotton cloth.

The Portuguese 'colonial charter', embodied in Decree law 23: 228, the Organic Law of the Portuguese Empire,<sup>1</sup> is a model code (which will, no doubt, take years to implement as far as native affairs are concerned), and reflects Articles 22 and 23 of the Covenant. But no legislation, however good, is so likely to assure the moral and social well-being of the natives as legislation for the operation of which there is full publicity. For many years the British and Dutch, and recently Belgian colonial Governments, have issued detailed reports on aspects of administration in individual colonies. French reports are in general less detailed on the social side, though explicit on budgets and trade, and information on the internal affairs of Portuguese colonies has been singularly lacking. Colonial reports are not much read in foreign countries, but the proceedings of the Permanent Mandates Commission receive some international publicity. Moreover, the representatives of the administration sent to Geneva have to clear up doubtful points and to justify and explain action. It is one thing to report on one's own administration; it is another to face an annual investigation of the correspondence between the facts and the governing legislation.<sup>2</sup>

The methods of the Permanent Mandates Commission may be and are criticized. The colonial administrator inevitably tends to feel that he is in the position of an accused person called upon to defend

<sup>1</sup> Printed in *Y.B.C.C.D.*, 1923, vol. i, pp. 66-377.

<sup>2</sup> Mr. W. McGregor Ross says: 'I put it to you that there is everything to be said for pressing that our colonial dependencies shall be at once subject to the practice of making an annual statement in reply to a questionnaire framed by an international authority at Geneva. There is very little chance of evasion; the examiners are up to the tricks of the trade, and they will plough you unmercifully' (*Peace and the Colonial Problem*, National Peace Council, 1935, p. 47).

his actions. This is one reason why conventions, provided that proper machinery exists for their enforcement, are more satisfactory. Though mandates were accepted with the conditions attached, the circumstances are not quite the same as when a colonial administration with an established title agrees to a course of action with other administrations and is prepared to submit, if necessary, a report on the matter. Experience has shown that some machinery for examining the working of conventional agreements is necessary; the principles adopted by the Berlin and Brussels Acts were good in themselves and were carried out in some African colonies, but they were flouted in others because the machinery of supervision was ineffective. Excellent arrangements are made by the International Labour Organization for conferences between the interested parties, for committee work in which the possibilities of application are thoroughly thrashed out, and for reports to the annual International Labour Conference by the signatories on the enforcement of accepted conventions. This procedure has worked well in practice, and the building up of a code of international legislation by these methods offers many advantages.

The history of post-War international organization has shown that co-operation in individual matters can be extended, and that it is easier to secure effective agreement on such specific points as the control of the drug traffic, the apportionment of wave-lengths, the control of epidemic disease or the suppression of forced labour, than to make the smallest overt attack on sovereignty. No one thinks of denouncing the Postal Convention, because its advantages are so obvious. The sanctity of engagements depends on general conviction of their utility. One great advantage of handling colonial problems by way of convention is that advances towards equality of economic opportunity and towards the well-being of subject races can be made step by step, as public opinion permits. Opinion on the responsibilities of ruling Powers towards subject races has advanced since the War, and the ground is already prepared.

Agreement will not be reached on all the outstanding questions in a day or a year or a decade. Hasty and unconsidered action is undesirable. Common principles of action on any specific question cannot be rapidly formulated for countries which differ so widely in the stages of civilization and in geographical and economic conditions as do the scattered colonial areas. Each step requires full consideration between the administrations, while experience has shown that there must be reservations in the time limits and methods of application.

For more advanced colonies a different method is necessary and is being increasingly applied. Under Article 421 of the Treaty of Peace, dealing with international labour legislation designed primarily for application in independent countries, the signatories undertake to notify the International Labour Office of the extent to which conventions of this kind are applied to their colonies. Only when a colony is highly developed can the legislation of the mother country on questions like insurance, accident compensation, hours and labour conditions in general be applied; even then they require adaptation.

But, though common agreement may be reached by way of international convention on many less controversial matters, there are some aspects of colonial policy in which the differences are fundamental and not so easily bridged. Some of these differences have been apparent in the discussion above of assimilation and of decentralization, the attitudes towards racial and language problems, and the differences in commercial policies and in colonial finance.<sup>1</sup>

One of the present international danger-points is Africa, since the distribution of territory is questioned by non-colonial Powers, and the attitude of the ruling Powers to the Africans is criticized by Africans themselves as well as by the other Powers. Here there is urgent need of agreement on general policy, but here also divergence is strongly marked. Economic, racial and administrative policies differ fundamentally. The French system of 'association' logically results in the adoption by educated Africans of French ways of life, including compulsory military service, which is as much the duty of French African subjects as of Frenchmen in France. The ambitious African therefore becomes a Frenchman, and under a centralized system it is possible for him, if he has the ability, to make a career for himself in France. No Latin Power has so strong a colour prejudice as exists in British colonies. British policy differs in east and west Africa; the Union of South Africa clings to a policy of segregation; in British West Africa, Uganda and Tanganyika Africans are increasingly trained to conduct their own affairs; and in British colonies tribal or other local authority is generally respected and encouraged. In those areas where white settlers possess responsible or representative government the possibility of central control by natives is remote. In those countries native interests will for long continue to be represented at the centre by advisory committees or by Europeans chosen to represent native interests. However different may be the points of view of British African administrations, certain principles are none the less common to all of them: the

<sup>1</sup> See Chapters XIV to XVII below, for more detail.

education of Africans as Africans, not as Europeans; and, internationally, substantial freedom of economic opportunity. Local nationalism is permitted, if not encouraged; in French colonies it would be resented. All British administrations are opposed to the militarization of African peoples, the Union of South Africa fiercely so, because it believes that only under a policy of demilitarization can European authority be maintained in southern and eastern Africa, where there is a white minority. Belgian policy has its own idiosyncrasies, but is firmly opposed to militarization.

The educated Gold Coast African would probably welcome a Europeanizing policy like that of Senegal, but would not accept other elements of French policy, conscription and the system of *prestations*. The French system satisfies the aspirations of the few but gives no real management of their own affairs to the mass of Africans, and the African who acquires French citizenship must abandon his racial individuality.

Northern Africa has its own problems in the growth of nationalism in the Arabic world, in the minorities question in Tunis, and the conflict of interests between North African producers of wheat and wine and French farmers at home.

The situation south of these territories must be considered as a whole. Whether or not proposals for a general consultative Colonial Commission mature, there is every reason for consultation, with a view to agreement on fundamental principles, on the government of tropical Africa; and the opportunity is provided by the expected revision of the Congo Basin Treaties.

The colonial Powers are faced with two dangers: the envy and the dissatisfaction of non-colonial Powers; and the dissatisfaction of the subject peoples shown in riots and risings, and increasingly loud mutterings, especially in Asiatic colonies, where the ferment of revolt against European domination is fed from nationalist movements outside their borders. In the Mediterranean, colonial countries are faced with the revival of nationalism in the Islamic world. The fears of Africans are fed by the fall of Abyssinia, the last independent African State,<sup>1</sup> and by the strengthening of the colour bar in the Union of South Africa with its repercussions farther north.

The colonial Powers must therefore act on two fronts. They must prove to other Powers that their policy is not to exercise monopoly rights for themselves, but rather to administer colonial resources in

<sup>1</sup> Reckoning Egypt as a Mediterranean, not as an African State. Liberia occupies a special position, owing to the interest taken in her independence by the United States.

the general interest; and they must prove to peoples in the colonies that the protection and the administration they offer is a fair return for the taxation and the other obligations they impose and is directed to ensure local prosperity. In other words, they have the difficult task of fulfilling the two aims of what Lord Lugard has called the 'Dual Mandate'. Perhaps they must go even farther and so organize their administration, and in particular their educational policy, that it is directed not to permanent domination, but to the building up of a system which will eventually enable colonial peoples to achieve independence.

The alternative to a conciliatory policy on both fronts is naked force, the determination to hold if necessary by arms the advantages in material wealth, power and prestige derived from colonial dominion.

Common principles in colonial policy are necessary because each of the colonial Powers is subjected to the same sort of criticism whether from within or from without. Each suffers from the other's mistakes. One instance of exploitation of monopoly power, one case of maladministration, has repercussions much wider than its immediate results. Either may serve as a reason for general denunciation of the colonial system under existing world conditions. The universal adoption of certain basic principles of justice toward non-colonial Powers and toward subject peoples is thus dictated by common prudence, as well as by the more generous ideals of progressive civilization.





PART III  
INVESTMENT, TRADE, FINANCE AND  
SETTLEMENT

- XIV. Capital Investment.
- XV. Trade, Tariffs and Shipping.
- XVI. Raw Materials and Food-Supplies.
- XVII. Public Finance.
- XVIII. Employment and Settlement.
- XIX. Possible Areas of Settlement.



## CHAPTER XIV

### CAPITAL INVESTMENT

Colonies as debtor countries—investment by settlers—in mines and railways—public and private sources—foreign participation—estimates of total investment.

THE importation of large amounts of capital from metropolitan and foreign countries is the distinguishing characteristic of the development of colonial territories in modern times. The early development of colonies by settlement and trade did not require large amounts of fixed capital; but with the evolution of machine production the cost of development greatly increased, so that colonial territories became ever more dependent economically on the large industrial and commercial centres of Europe, America and the Orient. The application of capitalistic methods to colonial production has made colonial communities the debtors of the investors, both public and private, of the countries which supply the capital. Colonial produce is sold in the world market, not simply in exchange for goods consumed by the colonial community, but for capital goods which enable it to produce for the world markets and so pay the interest on its borrowing. The decision to undertake this indebtedness is in fact generally made, not by the colonial community, but by industrialists and financiers in metropolitan and foreign countries.

This creditor-debtor relationship therefore determines the economic relations between countries investing in colonies and colonial territories themselves. It is therefore logical, if not historically correct, to begin an analysis of the economic aspects of the colonial problem by a discussion of the conditions and nature of capital investment. The economic policies adopted are conditioned by the development of colonies by capitalistic methods, for though some of them are far older—for example, the reservation of colonial trade and shipping to the mother country—the new relationship has been superimposed. The traditions of the mercantilist era, though not without influence to-day, are made to subserve modern policy.

#### *i. The Supply of Capital and the Objects of Investment*

The conditions governing the supply of capital vary from colony to colony, and from period to period. The objects of investment, whether public or private, fall into four main classes. Firstly, there is investment for the settlement on the land of nationals of the metropolitan country or others. To-day, such settlement is generally bound up with investment in the production of colonial foodstuffs or other plantation produce. Secondly, there is investment in colonial agriculture or plantations, by

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settlers, by joint-stock and private companies and by Governments. Thirdly, there is investment in colonial mineral production. Finally, there is investment in roads, railways, administrative buildings, and so on, often classed as 'public utilities', but not always constructed with public money.

Investment in settlement and by settlers in colonies may first be briefly considered. Much public money has been put into settlement of immigrants. The private capital required by settlers is harder to estimate. Dr. M. Salvadori has calculated the minimum investment in agricultural undertakings in Kenya, on the basis of the minimum costs of bringing land into cultivation and providing equipment for processing the crops. His estimates, reproduced below, may be compared with the estimates of capital invested in Kenya, given in Table X; they suggest that the estimates of joint-stock capital are very conservative, but that the part played by the private investor and settler in the development of Kenya is very large.

TABLE V  
*Estimates of Capital Invested in Kenya in Agricultural Undertakings, 1934<sup>a</sup>*

<i>Crop</i>	<i>Minimum cost of bringing 1 acre into production</i>	<i>Total acres in cultivation (1934 census)</i>	<i>Total investment</i>
	£		£ ,000
Coffee . .	46.0	102,238	4,703
Sisal . .	56.0	121,495	6,804
Sugar . .	100.0	12,694	1,269
Tea . .	70.0	12,372	866
Maize . .	20.0	207,732	4,154
Wheat . .	20.0	38,947	779
	..	495,478	18,575
Dairy cattle .	11.0	861,972	9,482
Sheep . .	2.3	684,528	811
	..	1,546,500	10,293
Total . .	..	2,041,978	28,868

<sup>a</sup> Compiled from information communicated by Dr. Salvadori.

Historically, investment in colonial agriculture came before investment in colonial mineral production, but the importance to the investor of the latter now probably surpasses the former, although among 'agricultural' products is classed rubber, a raw material as vital to industry as many non-ferrous metals. The conditions under which colonial agriculture has been developed and made to pay vary, but it is increasingly true to say that to-day colonial prosperity is largely founded upon mineral production.

There are prosperous colonies without much mineral wealth, but usually these produce either a great variety of crops, or a staple product for which there is a steady demand. Formosa finds a steady market for its rice in Japan. The Philippines long disposed of most of their sugar exports in the United States, and alternative markets will have to be found as the United States gradually withdraws the privileges at present accorded to Philippine sugar.<sup>1</sup>

The prosperity of African colonies also depends largely on mineral wealth. Agricultural production, other than for local consumption, can only be developed if facilities exist for the transport of the produce. Where transport is difficult, only those crops whose value is high in proportion to their bulk and weight, such as tobacco, can be economically produced for export. Neither plantation nor peasant production far inland are usually profitable enough to justify the high capital cost of railway construction. Though some agricultural development (for local consumption) is possible without heavy investment in railways, mining development demands adequate transport facilities, so that extractive industries are prepared to shoulder a large part of the cost of railways. Without railways and some development of road transport to feed the railways, large-scale agriculture in Africa cannot come into existence; and ordinarily railways cannot be built unless mineral wealth makes them worth while. This is not so true of Eastern, West Indian and Pacific colonies, where distances from the sea-board are less and where the provision of dock and harbour facilities and of roads largely takes the place of railway construction on an extended scale.<sup>2</sup> Accordingly, investment in large-scale agriculture tends to follow investment in extractive industry.

Thus in Africa even more than elsewhere investment in industries and in agriculture cannot proceed far without previous investment in 'public utilities', of which the most important are roads and railways, and large sums are also needed for the provision of power and other facilities. Some of this investment is undertaken by private enterprise, but in the main it is financed out of government loans. Although private companies may be willing to construct railways between existing centres of population and industry or, more rarely, to open up new agricultural territories known to be cultivable at a profit, they will usually not be willing to risk their capital when, as is often the case in colonial territories, the resources to be developed are unknown and a return on capital, however high in the end, cannot be expected for some years. In these circumstances railway construction can be undertaken only by Governments, which can afford to lock up capital without any return for a longer period than private companies. Finally, for strategic purposes, Governments may build railways not necessarily expected to be remunerative (such as those of South West Africa); though like the Sudan railway these may sometimes

<sup>1</sup> See the terms of the Treaty governing American-Philippine relations during the transition to full independence, pp. 247-8.

<sup>2</sup> The gold-mines of New Guinea are served by air transport.

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become profitable, contrary to expectation. The following table gives calculations of the money invested in railways in the more important colonies.

TABLE VI  
*Capital Expenditure on Colonial Railways*

<i>Africa (excluding northern Africa)</i>	<i>£ millions</i>	<i>Asia</i>	<i>£ millions</i>
British dependencies	103.4	French Indo-China . . .	10.1 <sup>a</sup>
Portuguese " "	21.6	Netherlands India . . .	57.9 <sup>b</sup>
French " "	32.0	Malaya . . . . .	32.9 <sup>c</sup>
Belgian " "	38.0	Palestine . . . . .	3.2 <sup>c</sup>
Ex-German colonies	21.5	Ceylon . . . . .	20.5 <sup>c</sup>
		Philippines . . . . .	3.0 <sup>c</sup>
	216.5 <sup>a</sup>		127.6

<sup>a</sup> To end of 1934.

<sup>b</sup> To Dec. 31st, 1930.

<sup>c</sup> To 1935.

Sources: Figures for Africa are reproduced by permission from a study by Professor S. Herbert Frankel, *The Financing of African Development* (to be published later); for Indo-China and Philippines from information privately supplied; for Netherlands India from the D.O.T. *Report on the Dutch East Indies, 1934*; for Ceylon, Palestine and Malaya from the Government Railways Balance Sheets, Dec. 31st, 1935.

### ii. *Course and Methods of Investment in Colonies*

How far colonial development should be left to private enterprise is a matter of some controversy, not only among administrators, but also among industrialists. Private enterprise, it is asserted—with some dissent<sup>1</sup>—cannot afford to wait for a return on its capital invested in roads and railways. On the assumption that the tax-payer benefits by colonial development, for which communications are essential, he is called on to contribute in the form of an exchequer guarantee on colonial public loans. On the other hand, the administrator is anxious that colonies should not be subject to one-sided exploitation. The rapid development of a colony's mineral wealth unaccompanied by any attempt to foster its agriculture, especially its native agriculture, creates a difficult labour problem and may undermine the health and morals of the community. How far the State should control the pace and extent of economic development is, however, a matter of opinion: and practice varies among the different metropolitan Powers, depending in part upon the nature and the history of the colony. It is important to make a distinction between capital provided from abroad in the form of share capital and that provided on fixed-interest bearing terms. For in times of depression interest on share capital need not be paid unless it is earned, while interest on fixed-interest loans must be met.

<sup>1</sup> See the Minority Report by Sir Edwin Stockton in *Private Enterprise in British Tropical Africa*, Cmd. 2016 of 1924.

In most British, Dutch and American colonies the State's economic role is limited to the supply of essential services. But State intervention in all kinds of industrial matters is increasing, and the control at least of the rate of capital investment in a colony comes more and more within its province. Since the War, the French Empire has been intensively developed under the policy of *mise en valeur*.<sup>1</sup> Not only has the State opened up the colonies and provided public works on a large scale, but the private investor has been actively encouraged by means of bounties and preferential tariffs.<sup>2</sup> This has been necessary because the French investor prefers a security which purports to give him a fixed rate of return; because the rate of return in France is high, relatively to the rate to be expected from colonial investment; and because the risks involved are usually higher than those attached to internal investment.

A third and older policy is to promote development by granting concessions to chartered companies. The capital is frequently guaranteed by the Government, which may become a shareholder; and such companies have sometimes been bought out by the Government, even though their funds may have been dissipated. A modification of the chartered company appears to-day as government participation in the control of large colonial trusts, such as the Union Minière in the Belgian Congo.

The advantage of State investment is that large-scale planning with an eye to future development can be undertaken. Furthermore, private enterprise is not usually concerned with the social consequences of its actions, whereas the State has the power to equalize the strain on the labour-supply of a sparsely populated colony by spreading construction over a long period.<sup>3</sup>

### iii. *Access to Colonial Investment*

In so far as investment in colonial areas yields a profitable return, it is to be expected that countries not possessing colonies should wish to take part in this investment, just as they wish to have access to colonial raw materials. When exchange restrictions and embargoes on the export of capital are absent, any investor can purchase the securities of colonial Governments or private undertakings at current prices under present conditions. The security is somewhat less than for nationals of the metropolitan Power, as in present conditions exchange fluctuations make investment even in foreign gilt-edged securities almost as speculative as investment in good industrials. There is the further difficulty that colonial securities are seldom quoted on bourses outside the metropolitan country, which itself shows that dealings in them are not considerable. But in the main the greatest barriers to investment in colonial securities at present

<sup>1</sup> This may be described as the policy of a 'planned' development of colonies in order to make them as profitable as possible to the metropolitan Power.

<sup>2</sup> See Chapter XV, sections iv and v.

<sup>3</sup> See Chapter X, section x.



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are the restrictions placed by foreign countries themselves upon export of capital.<sup>1</sup>

Foreign participation in colonial investment is complicated by the existence of the specialized financial machinery which has been evolved by the colonial Powers for the issue and placing of colonial capital. Other Powers have to operate through foreign capital-markets, and are inconvenienced both by their geographical remoteness and by fluctuations due to internal conditions in foreign countries. This specialization is, however, inevitable. Willingness to invest is dependent on a knowledge of local conditions. Statistics given in the next section show how extensive are British capital interests in Africa.<sup>2</sup> The United States investor, on the other hand, has taken a greater interest in the Latin American countries, and so far as the colonial world is concerned has preferred the Eastern and West Indian colonies to the African. The following table shows American investments in various colonial countries in 1930.

TABLE VII

### *United States Investment in Colonial Areas, 1930*

<i>Africa:</i>							<i>\$ millions</i>
British colonies	.	.	.	.	.	.	90
French colonies	.	.	.	.	.	.	4
Other	.	.	.	.	.	.	17
Total	.	.	.	.	.	.	<u>111</u>
<i>Eastern:</i>							
Malaya, Siam, Indo-China	.	.	.	.	.	.	27
Netherlands India	.	.	.	.	.	.	201
Palestine, Syria, Cyprus, Iraq	.	.	.	.	.	.	13
Philippines	.	.	.	.	.	.	167
Total	.	.	.	.	.	.	<u>408</u>
<i>West Indies and America:</i>							
Honduras	.	.	.	.	.	.	72
Jamaica	.	.	.	.	.	.	22
Other	.	.	.	.	.	.	29
Total	.	.	.	.	.	.	<u>123</u>

Source: *Balances of Payments*, League of Nations, 1930.

<sup>1</sup> These restrictions may be, and often are, the result of the decline of international trade in general as well as of exclusive commercial policies and currency difficulties.

<sup>2</sup> The recent Italian East African Mining Company has allotted 49 per cent. of the shares to German capital interests, on the understanding that some of the product should be available to Germany. Another company for the mining of platinum in Italian East Africa is reported to be financed partly by British and French capital. (*Financial News*, Jan. 28th, 1937.)

It has not been possible always to distinguish colonial investment from investment in some independent countries. In addition, it may be noted that American investments in Cuba were 1,067 millions of dollars, in Haiti, 28 millions, and in Egypt, 7 millions.

Detailed estimates of the nationality of capital invested in colonies are hard to obtain, and necessarily faulty in detail. Certain figures may be given for one African and two Eastern colonies; though the information is obviously incomplete.

TABLE VIII

*Estimated Investments in Three Colonies*

£ millions (estimated)

<i>Source by Nationality</i>	<i>Angola<sup>a</sup></i>	<i>Netherlands India<sup>b</sup></i>	<i>Philippine Islands<sup>c</sup></i>
British . .	4.25	31.0	10.0
Belgian . .	1.50	}	{
French . .			
Dutch . .			
German . .	..	2.0	..
American . .	1.20	6.0	51.0
Japanese . .	..	2.2	6.0
Chinese . .	..	..	5.0
Spanish . .	..	..	20.0
Total . .	6.95	229.0 <sup>e</sup>	92.0

<sup>a</sup> Portuguese capital not estimated. Figures relate to 1933-4.

<sup>b</sup> Chinese capital not estimated. Figures relate to 1929.

<sup>c</sup> Locally accumulated capital not estimated. Figures relate to 1933-4.

<sup>d</sup> Includes £2 millions of Italian capital.

<sup>e</sup> Includes investments of unknown nationality.

Sources: Angola: *Foreign Financial News* (United States Department of Commerce), May 9th, 1933 (No. 145), p. 1.

Netherlands India: Dr. R. E. Smits, *The Netherlands Indies and World Trade*, Bulletin of the Central Bureau of Statistics, No. 96.

Philippines: *Report on Economic Conditions in the Philippine Islands*, 1933-4, D.O.T., 1935.

Restrictions on private investment by settlers who are nationals of other than metropolitan Powers are tantamount to restrictions on immigration. Finally, the private capital brought in by merchants and professional persons would seem to be of small importance; although the capital accumulated within colonies by residents may be considerable. Frequently immigrants arriving with little or no capital accumulate considerable sums out of savings; no figures of external capital invested in Malaya, for example, give a true picture of total investment, since a large part is now owned by residents, notably by the Chinese.

iv. *Government and Private Capital Invested in Colonial Territories*

The following table summarizes the outstanding public indebtedness of the various colonial empires at the end of 1934:

TABLE IX  
*Public Debts of the Colonial Empires, December 31st, 1934*

	<i>Total debt</i>	<i>Debt per capita</i>
	£000 <sup>a</sup>	£
Netherlands overseas possessions <sup>b</sup> . . . . .	184,166	2.86
France d'outremer . . . . .	154,336	2.40
British Colonial Empire <sup>c</sup> . . . . .	138,863	2.26
Japanese colonies . . . . .	29,720	1.08 <sup>d</sup>
United States dependencies . . . . .	29,099	1.93
Belgian colonies . . . . .	18,240	1.41
Portuguese colonies . . . . .	14,266	1.60

<sup>a</sup> Conversion rates used were as follows:

	£		£
1 French franc . . . . .	0.013	1 Escudo . . . . .	0.009
1 Belgian franc . . . . .	0.005	1 Yen . . . . .	0.060
1 Guilder . . . . .	0.134	1 Dollar . . . . .	0.199

<sup>b</sup> Includes Dutch West Indies.

<sup>c</sup> Includes the Sudan, Southern Rhodesia and dependencies of British Dominions.

<sup>d</sup> Includes all Japanese colonies and mandated territory.

Sources: *Economic Survey of the Colonial Empire*, 1933, H.M.S.O. Col. no. 109; Moody's *Manual of Investments*, 1937; *Japan-Manchukuo Yearbook*, 1937; *Anuario do Imperio Portugues*; *Yearbook of Compared Colonial Documentation*, 1934.

Figures for the Spanish and Italian colonies are lacking. Public indebtedness per head in the French, British and Dutch colonial empires is more or less the same, despite the difference in colonial investment policy referred to in preceding pages. The method of converting gold parity currencies to sterling exaggerates the Dutch and French figures relatively to the British, since internal purchasing-power does not change proportionately to the depreciation or appreciation of the exchange. The following table (pp. 284-5) shows the extent to which external capital has been invested in various colonial areas.

These tables illustrate the importance of supplies of external capital to colonies. Approximations rather than accurate estimates, they nevertheless indicate how disastrous trade depression may be to colonial territories if, at one and the same time, it cuts off new supplies of capital from abroad and diminishes the value of colonial exports so that the burden of the interest charges due to external lenders is increased.

In Africa (excluding French, Italian and Spanish North Africa) it is of interest to note the preponderance of British capital, which forms over

half of the total. Further, the value of Belgian investments is greater than that of the French, although the French colonies rely more on government capital. Government capital provided nearly 60 per cent. of the total French investment, but less than one-third of the total Belgian and Portuguese investment, and less than one-half of the British. The preponderance of government capital of Netherlands India is indicated, despite the probable underestimate of private investment there. Malaya and Indo-China appear to be of comparable importance.

The economic effort made by the various colonial and many of the non-colonial Powers in contributing to this investment of well over a thousand million pounds sterling is hard to appreciate in terms of real costs; but it is certain that its effects have penetrated to all levels of economic and social life.

TABLE X

*External Capital invested in certain Colonies up to December 1934\**  
(£ '000)

	<i>Government</i>	<i>Other</i>	<i>Total</i>
<b>A. AFRICA. (i) <i>British</i>:</b>			
Northern and Southern Rhodesia and Bechuanaland . . . . .	11,561	78,557	90,118 <sup>a</sup>
South West Africa . . . . .	21,287	7,228	28,515 <sup>b</sup>
Gold Coast . . . . .	13,580	19,730	33,310
Nigeria . . . . .	28,712	13,117	41,829
Sierra Leone . . . . .	2,587	174	2,761
Kenya and Uganda . . . . .	27,443	7,128	34,571
Tanganyika and Zanzibar . . . . .	28,992	15,259	44,251 <sup>c</sup>
Nyasaland . . . . .	5,482	2,685	8,167
British Somaliland . . . . .	2,404	.. <sup>e</sup>	2,404
Anglo-Egyptian Sudan . . . . .	15,188	8,159	23,347 <sup>d</sup>
Miscellaneous . . . . .	39	24,868	24,907
<b>Total . . . . .</b>	<b>157,275</b>	<b>176,915</b>	<b>334,180</b>
<b>(ii) <i>French</i>:</b>			
French Equatorial Africa . . . . .	15,080	4,016	19,096 <sup>f</sup>
French West Africa . . . . .	13,160	8,428	21,588 <sup>g</sup>
Cameroons . . . . .	5,472	5,710	11,382 <sup>h</sup>
Togo . . . . .	2,756	521	3,277 <sup>i</sup>
French Somaliland . . . . .	280	365	645 <sup>f</sup>
Madagascar . . . . .	9,720	3,820	13,540 <sup>g</sup>
Miscellaneous . . . . .	..	8,690	8,690 <sup>f</sup>
<b>Total . . . . .</b>	<b>46,468</b>	<b>31,750</b>	<b>78,218</b>

\* The figures given above for African colonies are reproduced by permission from a study on *The Financing of African Development*, by Professor S. Herbert Frankel, of Johannesburg.

The African figures represent an attempt to discover the total amount of capital which has been invested in the colonies since their acquisition. The method adopted for British colonies has been to extract from records kept by the *Economist* all the issues made in London for each particular colony from 1900 to 1936 for various purposes. Conversion issues and other issues which are merely reduplication have been excluded. Adjustments have been made so as to include capital invested prior to 1900, and access to private records has enabled Professor Frankel further to improve and check the reliability of his estimates. From other sources, both published and private, are based the estimates for non-British African territories, and these also show the total capital invested since acquisition.

For purposes of comparison a similar technique was adopted for Ceylon, Malaya, and the British West Indies; the estimates are for total capital invested. But the conditions existing in these territories have made the estimates less reliable. In the first place all three areas have been under the British Crown for a considerable time. Hence the capital invested in early times has been impossible to evaluate. The difficulty is less serious for Malaya than for Ceylon and the West Indies. Secondly, the capital invested otherwise than through the London money market is considerable. In the West Indies there is much investment of American capital; while capital for Ceylon is issued abroad in India, and appreciable quantities for Malaya in the United States, France and Shanghai. The adjustments made for these considerations are estimates; and not being based on access to private records of companies, &c., nor on lengthy research, are to be regarded as much less exact than those of Professor Frankel.

This method of estimating the capital invested in a colony does not take into account four items: (a) capital brought in by settlers and immigrants; (b) investments by private persons or by private companies not disclosed to the public in prospectuses or published accounts; (c) war expenditures by Governments; and (d) investments abroad by residents in the colonies. The figures, therefore, refer only to investment in the colonies from abroad; they do not refer to capital accumulated out of profits or reserves within the colony. This may be a small item for Africa, but is considerable for Eastern and West Indian colonies. [For \*1 see opposite page.]

TABLE X (cont.)

	Government	Other	Total
(iii) <i>Portuguese:</i>			
Angola . . . .	8,457	18,553 <sup>k</sup>	27,010
Mozambique . . . .	8,444	23,157 <sup>l</sup>	31,601
Total . . . .	16,901	41,710	58,611
(iv) <i>Belgian Congo</i> . .	32,986	101,727	134,713
Total <sup>m</sup> . . . .	253,630	352,102	605,722
B. EASTERN. (i) <i>British:</i>			
Malaya . . . .	39,649	62,568	102,217
Ceylon . . . .	11,174	14,493	25,667
(ii) <i>French:</i> <sup>n</sup>			
Indo-China . . . .	34,783	68,899	103,682 <sup>a</sup>
(iii) <i>Dutch:</i> <sup>o</sup>			
Netherlands India . .	188,368	104,728	293,096
(iv) <i>America:</i>			
Philippine Islands <sup>p</sup> . .	11,825	19,290	31,115
Total . . . .	285,799	269,978	555,777
C. BRITISH WEST INDIES.			
Jamaica . . . .	3,781	1,265 <sup>q</sup>	5,046 <sup>r</sup>
Trinidad and Tobago . .	3,434	6,845 <sup>q</sup>	10,279 <sup>r</sup>
Other Islands . . . .	833	484 <sup>q</sup>	1,317 <sup>r</sup>
Miscellaneous Issues . .	..	873 <sup>q</sup>	873 <sup>r</sup>
Total British West Indies	8,048	9,467 <sup>s</sup>	17,515 <sup>s</sup>

<sup>a</sup> Includes the Beira and Beira Junction Railways which are operated by the Rhodesian Railways system.

<sup>b</sup> Includes German investment to the extent of £26,287,000. Excludes £2.5 millions due to the Union Government. £2.9 millions accumulated loss on railways.

<sup>c</sup> Includes £32 millions German capital.

<sup>d</sup> Excludes £5.5 millions deficits paid by Egypt to 1913 and the annual military subsidy contributed in recent years by the same Power.

<sup>e</sup> Information not available.

<sup>f</sup> French capital.

<sup>g</sup> Mainly French capital.

<sup>h</sup> Includes £10,322,000 German capital—the balance of £1,060,000 being French.

<sup>i</sup> German capital.

<sup>k</sup> Of this amount, approximately £15.5 millions is British, the balance being Portuguese.

<sup>l</sup> Of this amount, approximately £18 millions is British, the balance being Portuguese. See note (<sup>a</sup>).

<sup>m</sup> All African figures to the end of 1934.

<sup>n</sup> Outstanding capital, actual (not book) value. Source: Information privately supplied.

<sup>o</sup> Outstanding value, 1936. Source: O. Louwers, *Institut Royal Colonial Belge*, v. 1734, 3. *Le Financement des colonies tropicales modernes*, and M. de Cock-Brüning in *Nieuw Indië*, April 1933; *Moody's Manual of Investments*, 1937.

<sup>p</sup> Information from estimates in *Moody's Manual of Investments*, 1937. American capital outstanding at Dec. 1934.

<sup>q</sup> The *Economist* issues of new capital only, 1900–36.

<sup>r</sup> Total of columns 1 and 2.

<sup>s</sup> The *Economist* issues 1900–36, with adjustments for capital raised prior to 1900 and omitting capital raised up to 1936 in the United States.

## CHAPTER XV

### TRADE, TARIFFS AND SHIPPING

Importance of colonial trade in world trade and in the trade of each metropolitan country—trade in raw materials and foodstuffs, and shares of metropolitan countries—colonial markets for metropolitan industry—influences directing trade towards the metropolitan Power—tariff policies, British, French, Belgian, Dutch, Portuguese, Italian, Japanese, Spanish, American—shipping discrimination—regional trade—effect of tariffs on colonial consumers.

#### *i. Importance of Colonial Trade in World Trade*

THE total trade of the colonies, imports and exports, may be roughly valued for the year 1934 at 2,600 million old gold dollars, or £866 millions in terms of sterling at the average rate then prevailing.

This sum forms about 11 per cent. of world trade, and probably, since the exports are bulky in proportion to their value, provides for the employment of a rather larger proportion of world shipping. The following table shows the distribution of this trade between the principal colonial areas.

TABLE XI

*Value of Trade of Colonial Areas, 1934*

(Special trade)

(Gold dollars, millions)

	<i>Imports</i>	<i>Exports</i>	<i>Total</i>
British colonies . . .	493	333	826
British mandates <sup>a</sup> . . .	60	24	84
Algeria . . .	140	103	243
Other French colonies . . .	212	170	382
French mandates . . .	4	4	8
Netherlands India . . .	115	212	327
Belgian Congo . . .	10	23	33
Ruanda-Urundi . . .	1	1	2
Italian colonies . . .	30 <sup>b</sup>	10 <sup>b</sup>	40 <sup>b</sup>
Japanese colonies . . .	136	130	266
Japanese mandates . . .	3	3	6
United States territories . . .	99	134	233
Philippine Islands . . .	50	60	110
Other colonial areas <sup>c</sup> . . .	25 <sup>b</sup>	20 <sup>b</sup>	45 <sup>b</sup>
Colonial trade . . .	1,378	1,227	2,605
World trade . . .	11,980	11,309	23,289

<sup>a</sup> Including mandated territories of British Dominions.

<sup>b</sup> Wholly or mainly estimated.

<sup>c</sup> Spanish and Portuguese.

The figures in this and the following tables are as far as possible for special trade; they do not include bullion and specie or entrepôt trade.

Appendix XI indicates the importance of their own colonial trade for imports and exports separately, relatively to the total trade of each of the eight colonial Powers, the United Kingdom,<sup>1</sup> France, the Netherlands, Belgium, Portugal, Italy, Spain, Japan and the United States, in the pre-depression and depression periods. The following table illustrates the position in 1934. For purposes of comparison percentages calculated on the same basis for the German colonial Empire in 1913 have been included.

TABLE XII

*Trade of Metropolitan Countries with their Colonies expressed as a proportion of their Total Trade*

(Special trade, 1934)

<i>Imports from their colonies</i>		<i>Exports to their colonies</i>	
	<i>% of total imports</i>		<i>% of total exports</i>
France <sup>a</sup> . . .	25.5	France <sup>a</sup> . . .	29.9
Japan <sup>b</sup> § . . .	23.1	Japan <sup>b</sup> § . . .	22.0
United States <sup>c</sup> . . .	18.8	Portugal . . .	11.2
Portugal . . .	10.9	United Kingdom . . .	10.4
United Kingdom <sup>d</sup> . . .	7.5	United States . . .	9.6
Netherlands <sup>e</sup> . . .	5.6	Italy . . .	7.2 <sup>f</sup>
Belgium . . .	5.4	Spain . . .	4.4
Spain . . .	1.9	Netherlands <sup>e</sup> . . .	4.3
Italy . . .	1.6 <sup>f</sup>	Belgium . . .	1.1
Germany (1913) . . .	0.5	Germany (1913) . . .	0.5

<sup>a</sup> Including Algeria.

<sup>b</sup> Excluding Manchukuo and Kwantung and the Mandated Islands.

<sup>c</sup> Including Philippines.

<sup>d</sup> Colonial empire only, including dependencies of the Dominions.

<sup>e</sup> Netherlands India only.

<sup>f</sup> 1933 figures.

§ General trade.

These tables show that colonial trade is relatively more important for France and Japan than for other countries. The high proportion in American external trade is surprising, but it must be remembered that external trade is of relatively less importance to the United States. For the United Kingdom trade with the Dominions is four or five times as great as colonial trade. The full tables in Appendix XI reveal a recent tendency for the proportions of every Power's colonial trade to increase as

<sup>1</sup> The United Kingdom figures in the following pages refer, unless otherwise stated, to colonies, protectorates, mandated territories, territories under condominium and Southern Rhodesia.



compared with its total trade. This does not necessarily indicate that exports and imports between the colonies and the metropolitan Power are increasing; usually, indeed, it shows that foreign trade has decreased more rapidly than colonial trade. Colonial imports into France dropped from 6.5 milliard francs in 1930 to 5.8 milliard francs in 1934, while French exports to Overseas France dropped from 8.8 to 5.5 milliards in the same period and to 4.9 milliards in 1935. The fall in colonial imports into France may probably be explained by the fall in world prices of primary commodities, but the prices of French exports to the colonies were not seriously affected. The fall in the values of colonial imports into the United Kingdom from over £56 millions on average for the years 1925-9 to about £44 millions in 1930-4 is largely explained by the price-fall; the fall in United Kingdom exports to British colonial destinations in the same period from about £65 millions to about £48 millions in 1935 (the figures were lower in the three preceding years) was due to a variety of causes, of which the most important was probably the fall in the price of colonial products and the consequent fall in colonial purchasing power.

Colonial exports consist mainly of raw materials and foodstuffs; and colonial imports of manufactured consumers' goods; and of capital goods for internal development and railway materials. The import and export trade of colonies are considered separately in the two following sections.

## *ii. Colonial Production of Raw Materials and Foodstuffs and Proportions absorbed by Metropolitan Powers.*

The most important producers of the principal industrial raw materials, iron, petroleum, copper, cotton and wool, are independent States. In the production of the principal staple foods of Western countries, wheat, dairy products and meat, colonial areas also play only a small part. They are, however, of the first importance in the production of rubber, certain vegetable oils and oil-seeds; and to a lesser degree of tin, graphite and phosphates. Rubber, indeed, is at present virtually a colonial monopoly, since cultivated rubber in Malaya, Ceylon and Netherlands India has displaced the wild product of South America. The table on p. 290 covers most of the raw materials and foodstuffs in the production of which colonies play a substantial part. In each case the proportion of world production formed by colonial production as a whole is given together with the four or five most important colonial producers. The figures are approximate only, as figures for production in many countries are not very reliable. Where a useful figure for production exists, it has been given, i.e. a figure which includes production for export and production for local use, but in many cases figures for exports alone are available. Production figures for foodstuffs entering into local dietary are defective. For rice, therefore, net exports are taken as the basis of computation, and for tea figures for world production excluding China. For minerals and some other products produced mainly for export, production and export figures for

colonies are often practically identical. Certain raw materials—notably sisal—have had to be excluded because their production is not always distinguishable from that of similar products. The following figures<sup>1</sup> must therefore be accepted with caution; they refer, in the main, to what may be termed ‘commercial production’, but they do provide some idea of the importance of colonial production.

The Portuguese, Italian and Spanish dependencies are relatively poor in raw materials, and only two colonial areas, Malaya and Netherlands India, are very important sources of world supply. In rubber these two taken together dominate the world market; in tin they produce nearly half the total supplies.

Colonies are relatively important sources of certain groups of food-supplies. Colonial production of the principal oil-seeds, except linseed, is considerable; it is preponderant for palm-kernels and copra. Palm-oil is a product for industrial use only, but the oils obtained from palm-kernels, copra, ground-nuts, sesame and some other tropical oil-seeds are used as ingredients of margarine and other foodstuffs as well as for soap and various industrial purposes, while the residues are used for cattle-food. But cereals and meat are derived from colonial areas only in small quantities. An infinitesimal proportion only of the rice, corn and various millets produced in colonies enters into world trade, these crops being grown for local consumption. Indo-China, however, has a considerable trade in rice, and the Japanese colonies supply rice to Japan. Colonies supply the bulk of what is known as ‘colonial produce’; 74 per cent. of cocoa, 48 per cent. of tea and 36 per cent. of cane sugar. The most important colonial exported fruits are bananas and oranges.

The extent to which individual industrial countries depend on raw materials and foodstuffs from all colonial sources would entail long investigations, which may, however, be somewhat simplified by the new statistics of the original countries of consignment.<sup>2</sup> Often there is no means of direct consignment from small, scattered colonies to the consuming countries and the goods pass through an entrepôt centre; Singapore and Hong Kong offer facilities of this kind for the islands of the Pacific. The United States Tariff Commission investigation on *Colonial Tariff Policies*<sup>3</sup> attempted, however, to determine the value of the trade between the United States and all colonial areas for 1900, 1913 and 1920. It may be assumed that almost all colonial imports into the United States consisted of foodstuffs and raw materials. The value of these imports was estimated in 1920 at 758·4 million dollars from foreign colonies, 207·8 million dollars

<sup>1</sup> Most of the figures given have been taken from *Raw Materials and Colonies*, Information Department Paper no. 18, R.I.I.A., 1936. See also General Note on Agricultural Tables nos. 23–54, *League of Nations Statistical Yearbook*, 1935–6, p. 88.

<sup>2</sup> Economic Intelligence Service of the League of Nations, *Raw Materials*, 1937.

<sup>3</sup> *Colonial Tariff Policies*, Washington, 1922, p. 22.

TABLE XIII

*Colonial Commercial Production of Raw Materials and Foodstuffs  
expressed as a Percentage of World Commercial Production*

Commodity	Per cent. of world commercial production	Principal sources of colonial commercial production with their production expressed as a percentage of world production
<b>Raw Materials</b> (1934 or latest available date):		
Palm oil	98.8b	Nigeria (42.9), Netherlands India (22.0), Belgian Congo (13.9), French West Africa (6.1), Angola (1.2).
Rubbers	96.1d	Malaya (46.0), Netherlands India (37.4), Ceylon (7.8), British Borneo (2.8).
Coprae	64.4b	Philippines (34.5), Netherlands India (30.5), Ceylon (9.3), Malaya (8.0).
Tin ores	56.9d	Malaya (31.0e), Netherlands India (16.8), Nigeria (4.4), Belgian Congo (3.7).
Phosphates	52.0	French North Africa (34.6), French Equatorial Africa (7.2), Nauru (4.5e).
Graphite	46.0	Korea (28.0), Ceylon (10.5e), Madagascar (7.5).
Ground-nuts	28.5b	French West Africa (13.2), Netherlands India (3.8), Nigeria (4.8), Kwantung (1.3).
Coppera	21.3d	Northern Rhodesia (12.3), Belgian Congo (8.6).
Tungsten(oreand concentrates)	16.3	Malaya (11.2), Korea (2.5), Indo-China (1.9), Southern Rhodesia (0.7).
Manganese ore	13.7	Nigeria (12.4e), Malaya (0.6), Netherlands India (0.4).
Chrome ore	12.3b	New Caledonia (20.9), Southern Rhodesia (8.6).
Bauxite	13.1d	Surinam (7.9e), British Guiana (5.2).
Olive Oil	12.9b	French North Africa (11.2), Libya (70.4).
Soya-bean	11.7f	Korea (9.1), Formosa (6.7), Netherlands India (2.7).
Sesame	8.0f	Sudan (2.2), Congo (70.8), Nigeria (1.3).
Gold	9.2b	Southern Rhodesia (2.8), Korea (1.6), Gold Coast (1.3), Congo (1.4).
Asbestos	9.5g	Southern Rhodesia (9.0), Cyprus (0.5).
Hemp	6.2f	Korea (6.0).
Petroleum	3.7d	Netherlands East Indies (2.9), Trinidad (0.7), British Borneo (0.1).
Silk <sup>1</sup>	3.1b	Korea (2.9), Syria (0.2).
Cotton <sup>1</sup>	2.5f	Uganda (0.9), Sudan (0.5).
Wool	2.3b	French North Africa (2.0).
Zinc <sup>a</sup>	1.9d	Northern Rhodesia (1.4), Indo-China (0.4).
<b>Foodstuffs</b> (1933):		
Cocoa	74.0b	Gold Coast (40.6), Nigeria (11.3), French West Africa (6.8), French Cameroons (2.8), British Togo (1.9), French Togo (1.1), British Cameroons (0.6).
Tea	48.0b	Ceylon (25.7), Netherlands India (19.7).
Cane sugar	35.9b	British West Indies (15.4), Puerto Rico (6.4), Formosa (4.4).
Bananas <sup>a</sup>	30.2b	Jamaica (11.1), Formosa (6.6).
Maize <sup>a</sup>	24.1d	Philippines (3.7), Indo-China (5.6), French West Africa (5.9).
Rice <sup>a</sup>	22.4f	Indo-China (6.5), Korea (3.7), Formosa (1.8),
Citrus Fruits <sup>a</sup>	9.7b	Indo-China (1.0).
Coffee	7.6b	British East Africa (0.7), Madagascar (0.6).
Tobacco	4.8b	Indo-China (0.6), Nyasaland (0.3).k

<sup>a</sup> Metal content. <sup>b</sup> 1933. <sup>c</sup> Shipments. <sup>d</sup> 1934. <sup>e</sup> Net exports. <sup>f</sup> 1933-4. <sup>g</sup> 1931. <sup>h</sup> 1934-5. <sup>i</sup> Raw. <sup>j</sup> Ginned. <sup>k</sup> A considerable amount of tobacco is now being grown in the Rhodesias

Since these figures were compiled, for the year 1934, there has been, owing to rising prices, increased production of many raw materials, notably of tin, rubber, copper, gold and zinc. If, therefore, a table for 1936 could be compiled there might be material differences in the percentage of world production provided by individual colonies.

from United States dependencies; a total approaching a milliard dollars, and representing about 18.4 of the total United States imports, whereas in 1913 the percentage was 12.9. From 14 to 16 per cent. of Germany's total imports are from tropical countries, and perhaps half of these are from colonial countries.<sup>1</sup>

<sup>1</sup> See the analysis by Wilhelm Bast, *Die Einfuhr des Deutschen Reiches aus den Tropen, 1897-1932* (Leipzig, 1936), p. 110, showing the proportions derived from the principal areas.

With due allowance for the variations in the classifications used in trade returns in the different countries, it is possible to estimate the value of the trade in raw materials and foodstuffs from colonies to their metropolitan Power, and to show what proportion colonial supplies formed of imports of these classes of commodities from all sources. But it is not generally possible to determine, without further investigation, re-exports of colonial produce.

United Kingdom statistics of retained imports of foodstuffs and raw materials (Class I and Class II in the Board of Trade official classification) are not quite complete for raw materials, since some commodities shown under Class III—'mainly manufactured'—are raw materials which have only undergone preliminary processing.<sup>1</sup> They show the following values in 1934 for imports from British colonies and mandated territories:

TABLE XIV  
*Retained Imports into the United Kingdom, 1934*

<i>Origin</i>	<i>Food, drink and tobacco</i>	<i>Raw materials<sup>a</sup></i>	<i>Manufactures</i>
	£'000	£'000	£'000
British Colonies <sup>b</sup> . . . . .	26,134	15,050	5,012
Territories under mandate . . . . .	1,777	635	89
All sources . . . . .	333,951	181,833	160,741

<sup>a</sup> 'Mainly or wholly unmanufactured' articles.

<sup>b</sup> Including protectorates and condominium.

Source: *Statement of the Foreign Trade and Navigation of the United Kingdom, 1934*.

The trade therefore forms only a small proportion of the total import of commodities of these two classes. The proportions, averaged for the years 1925-9 and 1930-4, and for the single years 1933, 1934 and 1935, are given below:

TABLE XV  
*United Kingdom: Retained Imports of Foodstuffs and Raw Materials from British Colonies and Mandated Territories expressed as Percentages of Total Imports of Foodstuffs and Raw Materials*

	<i>Av. 1925-9</i>	<i>Av. 1930-4</i>	<i>1933</i>	<i>1934</i>	<i>1935</i>
Food and tobacco	5.4	7.1	7.9	8.3	7.9
Raw materials . . . . .	8.0	7.8	7.5	8.9	11.1

<sup>1</sup> The British classification is as follows: Class I, Food, drink and tobacco; Class II, Articles wholly or mainly unmanufactured; Class III, Manufactured articles. It should be noted that under 'Manufactured articles' are included a number of semi-raw materials, notably classes C, D, M, O, P, L, and part of R, which should properly be included under 'Raw materials'. Manufactured articles form on the average rather more than half the total given under Class III. See *London and Cambridge Economic Service Monthly Bulletin*, March, 1936, p. 148.

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Imports from mandated territories included in the above percentages in no case amount to as much as 1 per cent. The reliance of the United Kingdom on British colonial sources is not therefore great on the whole, though for one or two commodities, e.g. rubber and tin, it is considerable.

Since France is herself a great agricultural country, French food imports are on a much smaller scale, but they are derived mainly from her colonies; in 1934 Algeria alone sent to France animal and vegetable foodstuffs valued at 2,615 million francs and raw materials valued at 139 million francs. The value of foodstuffs and raw materials imported from Overseas France in 1934 is shown in the following table:

TABLE XVI  
*Imports into France, 1934*  
(Millions of francs)

<i>Origin</i>	<i>Foodstuffs</i>	<i>Raw materials</i>
Algeria . . . .	2,615	139
Colonies . . . .	2,053	853
Mandates . . . .	56	38
Total . . . .	4,724	1,030

Source: *Tableau général du commerce extérieur (et de la navigation)*, annual volumes.

The proportion of total food imports derived from Overseas France has increased, and the same is true of raw materials. The movement is shown in the following table:

TABLE XVII  
*Imports from Overseas France, expressed as Percentages of Total Imports of Food and Raw Materials (Special Trade)*<sup>1</sup>

	<i>Av. 1924-9</i>	<i>Av. 1930-4</i>	<i>1933</i>	<i>1934</i>	<i>1935</i>
Foodstuffs .	33.5	47.5	60.0	63.5	65.5
Raw materials	6.4	6.2	6.3	9.1	10.0

Imports of foodstuffs into Belgium from the Congo in 1933 were only 1.4 per cent. of total food imports: even this represented an increased proportion, as in the five years 1925-9 they averaged less than 0.2 per cent. The Congo in 1933 supplied 3.7 per cent. of Belgium's requirements of raw materials, as against 3.0 per cent. in the years 1925-9.<sup>2</sup>

These figures for trade by commodity classes, which are not available

<sup>1</sup> The nearest equivalent to the 'retained imports' of the British trade returns. As in the British figures the mandated territories, included in these figures, in no case amount to as much as 1 per cent.

<sup>2</sup> From the *Annuaire statistique de la Belgique et du Congo Belge, 1925-34*, annual volumes.

for the other colonial empires, may be compared with similar figures for the pre-War German Empire. Of Germany's total imports of raw materials in 1912, 1 per cent. came from the colonies, and of her imports of foodstuffs the colonies also supplied 1 per cent.<sup>1</sup>

Having examined the proportion which colonial trade forms of the total trade of metropolitan Powers, we must now examine the proportions of the trade of the colonies which are with their metropolitan Powers.

Table XVIII below shows the proportion of their total exports sent by the various colonial empires to their metropolitan countries, and provides some indication of the extent to which the supply of colonial raw materials and foodstuffs is absorbed by the metropolitan country, or sold by the colonies in the international market. The proportions for mandated territories are given separately, but the British figures are misleading in this context, since all British mandates are included, and the trade of the C mandated territories under Dominion mandates is naturally mainly with those countries, on account of proximity as well as of administrative conditions. Figures are not available for Spanish colonies. Figures for the German Colonial Empire in 1912 have been included.

It should be noted that a large part of the export of the colonies to the metropolitan country is re-exported, sometimes after undergoing some slight processing, and its first destination may be in part a matter of convenience. This fact must certainly be taken into account in the American figures.

Colonial supplies are not necessarily mainly directed to the metropolitan Power. In 1935 Germany took a relatively large part of the direct exports of some of her former colonies: 81 per cent. of all exports from British Cameroons, 19 per cent. from French Togo, 13 per cent. from South West Africa, 8 per cent. from Tanganyika and 6 per cent. from French Cameroons; 6 per cent. of the exports of Palestine, 14 per cent. of Nigerian exports and 10 per cent. of Portuguese East African exports went to Germany.

### iii. *Colonies as Markets for the Industries of the Metropolitan Power*

Colonies are usually dependent on imports for all capital goods, railway and transport material, mining and agricultural machinery, machine tools, and a wide variety of consumers' goods, including, especially in colonies of settlement, supplies of prepared food, liquor, drugs, &c. In older developed colonies the inhabitants may demand almost as wide a range of goods as Europeans do, and on the other hand, in primitive countries the native demand hardly goes beyond cheap textile goods. Imports into Netherlands India before the depression, in 1929, amounted to 1,688 million guilders, though with bad times they fell to less than 300 million guilders. In 1929

<sup>1</sup> From *Statistisches Jahrbuch für das Deutsche Reich*, 1914.

TABLE XVIII

*Exports of Colonial Empires to their Metropolitan Countries as a Percentage of their Total Exports to all Destinations in 1933 (Special Trade)<sup>1</sup>*

<i>Origin</i>	<i>Percentage of total exports</i>
Japanese mandate . . .	97.0
United States dependencies (including Philippines) . .	96.6
Japanese colonies <sup>a†</sup> . . .	88.5
Belgian Congo <sup>a</sup> . . . .	71.1
French colonies . . . .	75.0
Belgian mandate . . . .	75.0
German colonial Empire (1912) <sup>a</sup>	68.3
Italian colonies . . . .	65.5
Portuguese colonies <sup>c</sup> . . .	49.5
French mandates <sup>e</sup> . . . .	46.1
British colonies <sup>d</sup> . . . .	32.5
British mandates <sup>b</sup> . . . .	31.4
Netherlands India . . . .	17.6

<sup>a</sup> Imports by the metropolitan country from the colonies expressed as a percentage of total exports of the colonies. <sup>b</sup> Including mandates of the Dominions and New Hebrides Condominium. An additional 28 per cent. of total exports were sent to other Empire countries. <sup>c</sup> Angola and Mozambique only. <sup>d</sup> Including colonial dependencies of the Dominions and Sudan Condominium. Percentage of total exports sent to the United Kingdom. The colonies sent in 1933 an additional 15.3 per cent. to other Empire countries. <sup>e</sup> Excludes Syria. <sup>†</sup> General trade.

Source: Official trade returns of the various countries.

<sup>1</sup> 'The proportion of the exports of the colony which goes to the metropolitan country does not necessarily indicate that the colony is proportionately profitable or unprofitable. From the point of view of the investor in the metropolitan country, it is the rate of return on capital which is the criterion of the profitability or otherwise of the colony. This profit may be derived as much from the export of colonial produce to foreign countries as to the metropolitan country. For example, the capital invested in sugar in Netherlands India is Dutch, and hence the profits go to the Netherlands, but virtually none of this sugar is imported and retained in the Netherlands itself. On the other hand, if the capital in a colony is largely of foreign origin, the fact that the exports of that colony go largely to the metropolitan country disguises the fact that a great part of the profit of production in the colony goes to the foreign shareholder. For example, the trade of Angola is increasingly with Portugal, but British investors derive a steady revenue from the colony, although its exports to Great Britain are quite small.' (Report of Meeting of Experts at Geneva, Feb. 1937, in preparation for the International Studies Conference of 1937.)

textiles alone accounted for 250 million guilders; engineering products and iron and steel products for 198 millions; foodstuffs and drink for 119 millions; husked rice for 104 millions; bicycles and accessories for 61 millions.<sup>1</sup> Imports into Tanganyika in 1934 totalled £2·3 millions, of which cotton piece-goods was overwhelmingly the largest item. In Nigeria cotton piece-goods and clothing take first place, other large imports in order of value being iron and steel manufactures, tobacco, petroleum and

TABLE XIX

*Imports into Colonial Empires from their Metropolitan Countries expressed as a percentage of those Total Imports, 1933*

<i>Territory</i>	<i>Per cent. of total imports</i>
Into Japanese mandate . .	94·9
„ Japanese colonies <sup>†</sup> . .	83·1
„ United States dependencies (including Philip-pines). . . .	80·2
„ French colonies . .	66·7
„ German Colonial Empire (1912) <sup>a</sup> . . . .	62·1
„ Italian colonies . .	59·3
„ French mandates <sup>a</sup> . .	56·4
„ Belgian Congo <sup>a</sup> . .	43·4
„ Portuguese colonies <sup>c</sup> . .	43·0
„ British colonies <sup>b</sup> . .	24·4
„ British mandates <sup>d</sup> . .	17·9
„ Belgian mandate <sup>a</sup> . .	16·3
„ Netherlands India . .	11·9

<sup>a</sup> Exports by the metropolitan country to the colonies expressed as a percentage of total imports of the colony. <sup>b</sup> Including colonial dependencies of Dominions and Sudan Condominium. Imports from United Kingdom only. In addition, the colonies took a further 20·9 per cent. of their total imports from other Empire countries. <sup>c</sup> Angola and Mozambique only. <sup>d</sup> Including mandates of the Dominions and New Hebrides Condominium. An additional 15 per cent. of total imports was received from other Empire countries. <sup>e</sup> Excluding Syria. <sup>†</sup> General trade.

Source: As for preceding table.

other oils, artificial silk goods, bags and sacks, salt, motor vehicles and accessories. In Jamaica in 1935 cotton piece-goods again take first place, and there follow, in order, motor vehicles and parts, oils and petrol, iron and steel and machinery. There were also heavy imports of such raw materials as coal and timber, and both manufactured and raw foodstuffs account for a considerable proportion of the import trade. The colonial market absorbs varying proportions of the total export of manufactured

<sup>1</sup> Figures from the *Jaaroverzicht van de in-en-uitvoer van Nederlandshe Indië, 1929-35*.



goods of the metropolitan Power; in 1934 only 9·7 per cent. for the United Kingdom, but 37·2 per cent. for France.

As production for export increases or decreases, the colonial market for manufactures and other goods expands and contracts, and it is for this market that industrial countries compete. With the increasing tendency towards bilateral trade the colonial raw materials controversy is bound up with competition for the outlets in colonial markets for textiles, engineering products and a wide range of other commodities.

Before considering the struggle for these markets and the policies adopted by the colonial Powers for securing as large a share of them as they can for their own nationals, the extent to which the colonial market is reserved to the trade of the metropolitan Powers may be considered.

On the whole these figures indicate a smaller preponderance of the metropolitan countries in the import than in the export trade of their colonies (cf. Table XVIII). But just as a part of the produce of the colonies is first exported to the metropolitan country and later re-exported elsewhere, so too the colonies often import from the metropolitan country goods whose origin is foreign, or partly foreign.

#### iv. *Influences other than Tariffs tending to further Colonial Trade with the Metropolitan Powers*

These varying degrees of participation in colonial trade by the metropolitan Powers are not explained merely by tariff arrangements. There are other elements making for a relative stability in inter-imperial trade. Community of habit and sentiment influences the calculations of business men as well as costs and prices. It is difficult to say to what extent familiarity with the language of the metropolitan Power promotes trade connexions with the home country. The existence of linked currencies is an advantage to intra-imperial trade in a world in which the currency situation is confused and shifting, more especially when exchange restrictions are operative in foreign markets. An example of a device for mitigating the obstacles to foreign trade is the triangular clearing agreement between Holland, Germany, and Netherlands India. Germany requires Indonesian raw materials, but does not export much to the Indies market; Holland, on the other hand, supplies the Indies and imports from Germany. The foreign exchange problem is solved by an arrangement whereby the debts are set off against one another in Holland. Consequently the re-export trade of Holland to Germany of Indies produce is very large, and tends to supplant direct trade between the Indies and Germany.

In theory it does not necessarily follow that because most of the capital in a colony has been supplied from the metropolitan country the trade of that colony will be largely in the same direction.<sup>1</sup> Under a régime of

<sup>1</sup> The commercial policies of the metropolitan Powers have sometimes been

free trade and free competition it probably would not occur in fact. But some part of government loans, especially those for public works, are usually granted on the understanding that any imported material will come from the home country. Among the provisions of the British Colonial Development Act, 1929, was a clause that the proceeds of loans should so far as possible be spent on Empire produce. In colonies in the early stages of development, e.g. Italian Africa, a large part of imports are purchased on government account, for essential services, public works and provisioning of government institutions, including military establishments. Governments purchase their requirements at home unless there are exceptional reasons for purchasing elsewhere. The extent of these purchases may be considerable. Even in Netherlands India, where imports on government account form only a small percentage of total imports, they were valued at an average of about 30 million guilders annually in the years 1925-9 and at over 15 million guilders in 1930-4.

Where works are put out to contract, the home contractor usually has some advantage. In colonies where the 'Open Door' is maintained by international agreement, such indirect protection to metropolitan goods is still permitted, and its relative importance is greater when the purchasing power of the native in his private capacity is small. Stipulation by Governments for certain standards or specifications may favour the home manufacturer, especially in orders for materials and machinery required for public works. Moreover, this differentiation operates after the expiration of the original contract, since replacements and spares must be obtained from the same source. Some indication of the importance of 'government stores' in a C mandate is given in the reports on South West Africa. They show average value for 1925-9 of £99,951 and for 1930-5 of £51,019, and stores are normally a fairly small part of total government purchases.

In British colonies and protectorates public works and government purchases are contracted for by the Crown Agents. The Crown Agents act as commercial and financial agents in the United Kingdom for colonial governments, and they transact some business for various public bodies such as municipal and harbour authorities situated in the colonies. The business of the Crown Agents includes:

1. The purchase, shipment, insurance and, where necessary, inspection of public stores of all kinds.
2. The detailed design of bridges, public buildings and engineering structures of all kinds, the preparation of specifications for, and the

in opposition to the influences exerted by the creditor-debtor relationship. For instance, the greater part of the capital in Portuguese territories has been shown to be of British origin and ownership; but the Portuguese are encouraging their intra-imperial trade, and have discriminated heavily against British and other foreign trade. Indeed, partly for this as well as for political reasons, they discourage further investments of foreign capital in their colonies, although unable to provide sufficient capital from Portugal.

examination and approval of, detailed designs of locomotives, rolling stock, cranes, &c.

3. The negotiation of contracts for the execution of large public works, and the preparation of designs, and general advice relating to such works whether carried out by contract or departmentally, consulting engineers being employed in special cases.
4. The negotiation, issue and management of loans, including management of sinking fund and payment of interest, and repayment of loans; the investment of surplus balances, reserve and depreciation funds, and the like.<sup>1</sup>

The location of commodity markets is also an important factor in the direction of trade; where the metropolitan country has a great organized market for primary produce, e.g. cotton, wool, wheat, oil-seeds, &c., colonial countries producing these commodities may well sell their produce on that market, which thus gains the substantial proceeds of the entrepôt trade, and possibly part of the shipping. London, Liverpool, Le Havre, Marseilles, Antwerp and Rotterdam are centres of this kind.<sup>2</sup>

In Nigeria, as a precaution against the exploitation of native ignorance of the differences between European measures, it is prohibited to introduce textiles not cut according to British measures. This considerably inconveniences the foreign manufacturer. Specifications of goods in customs tariffs may also be so arranged as to operate unfavourably on foreign imports. Veterinary regulations, again, may be used for protective purposes.

Perhaps the most important single influence upon the course of colonial trade, other than tariff policy, has been that of currency policy. Since 1932 the relative exchange stability within the sterling area has encouraged the mutual trade of the countries inside it; among these, of course, are foreign countries, and the fact that their trade with the British Empire has declined less than that of countries outside the sterling area is significant. Further, the cessation of foreign lending by the London capital market has discouraged foreign trade relatively to Empire trade. Empire countries have continued their service payments on past borrowing, and have been able to do a little new borrowing and to convert some of their debt to lower rates of interest.

#### *v. Tariff Policies*

*British Empire.* Before the recent change in tariff policy one or two examples of preferential treatment existed in the British Empire, such as the export duties on tin introduced in Malaya in 1902 and in Nigeria in

<sup>1</sup> See the *Dominions Office and Colonial Office List, 1936*, pp. xix-xxi.

<sup>2</sup> Produce-markets perform services which are cheapest when concentrated in a single centre. They include the preliminary grading of the produce, the quotation of appropriate spot and forward prices, and provide a convenient centre for buyers.

1916. Certain other duties were introduced in the course of the World War. In 1912 the West Indies made a preferential agreement with Canada, which was automatically extended to Great Britain. The Rhodesian Customs Regulations of 1898 and 1906 provide a further exception to free-trade policy. Other factors tending to further Empire trade were the Colonial Stocks Acts, the Merchandise Marks Acts, 1887-94, and certain alterations in the patent laws.

With the passing of the Import Duties Act, 1932, the United Kingdom definitely abandoned her free-trade policy at home, and simultaneously established a preferential market in the United Kingdom for colonial goods.<sup>1</sup> In addition to a general *ad valorem* duty equal to 10 per cent. of the value of the goods, additional duties are imposed by Treasury Orders on the advice of the Import Duties Advisory Committee from time to time. Colonial products are exempted, being admitted free of duty, or, in the case of sugar, spirits, tobacco, &c., which have always been subject to revenue duties, at a preference.

Though the Ottawa Agreements with regard to preferences between the Dominions and the United Kingdom do not immediately concern this study, the main points may be noted here, since the tendencies embodied in them were extended to the Colonial Empire proper and since they were accompanied by complementary agreements for preference between the Dominions and the Colonial Empire.<sup>2</sup>

*Canada.* The new schedules related to 215 items, covering about 40 per cent. of total Canadian imports. In 132 cases the duties on United Kingdom goods were reduced, and in the remaining 83 cases increased margins were secured by an increase of general level. Seventy-nine items were placed on the free list.

*India.* A  $7\frac{1}{2}$  per cent. preference on motor-cars, omnibuses, and accumulators, 10 per cent. on a long list of manufactures.

*Newfoundland.* A 10 per cent. imperial preference on 61 classes of goods was instituted for the first time.

*New Zealand.* Existing margins of preference not to be reduced except when over 20 per cent. *ad valorem*.

*South Africa.* Increased British preference (5 or 10 per cent.) on short list of manufactured goods. No lowering of existing margins.

<sup>1</sup> The Abnormal Importations (Customs Duties) Act, 1931, had come into operation in November, and the Horticultural Products (Emergency Customs Duties) Act, 1931, in December, 1931.

<sup>2</sup> See Imperial Economic Conference at Ottawa (Cmd. 4171), United Kingdom-Canadian Agreement, Art. 8, Schedule D; Australian Agreement, Art. 7, Schedule E; United Kingdom-South African Agreement, Art. 8; U.K.-Indian Agreement, Arts. 9, 10, 12; U.K.-Newfoundland Agreement, Art. 8; U.K.-Rhodesian Agreement, Arts. 7, 10. The Indian Government, by Order in Council following a vote of the Indian Legislative Assembly, denounced the Ottawa Agreements on May 13th, 1936. The six months' notice provided for in the agreements was given.

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*Southern Rhodesia.* Preference to be given varying from 10 to 20 per cent.

These agreements were due for revision at the Imperial Conference of 1937.

Between the War and the Ottawa Conference imperial preferences, in a greater or less degree, had been given by Southern Rhodesia, the West Indies, Fiji, Cyprus, Mauritius. Preferences for the products of the non-self-governing colonies were secured at Ottawa in 1932, in addition to those already granted by Canada and New Zealand, in the tariffs of Australia, the Union of South Africa, Southern Rhodesia and India; and preferences for colonial products were granted by the United Kingdom. In the main the new preferences of the Crown colonies (which vary widely among themselves) for British and Dominion goods were secured by raising the tariffs of the colonies on non-Empire imports.

The colonies, with the exception of Southern Rhodesia, which has an intermediate status between 'colony' and 'Dominion', were not individually represented at the Ottawa Conference. The representation of their interests was in the hands of the Colonial Secretary. Most of the increased preferences granted by the colonies to the United Kingdom and the Dominions were in fact negotiated before the Conference. Sir Philip Cunliffe-Lister stated in the House of Commons (April 22nd, 1932) that no Secretary of State for the Colonies can order the whole of the Colonial Empire to give a preference. 'Many of these colonies', he said, 'have constitutions of their own with a greater or lesser degree of responsibility. . . . The grant of preference throughout the Colonial Empire is in a very true sense a deliberate act of the colonies themselves, and a proof of their desire for mutual trade and Empire partnership.' Nevertheless, it may be argued that, while the Ottawa Agreements between Great Britain and the Dominions were concluded between democratic governments representing their peoples, those affecting the colonies were concluded by the Secretary of State on their behalf and that, although he doubtless consulted their Governments, he was in most cases in a position to put his decisions into effect whatever local opinion might be.<sup>1</sup>

Imperial preference, however, was not granted, except within the narrowest limits, by the Straits Settlements, and the Ceylon State Council so amended the resolution providing for Imperial preference at the general rate of 10 per cent. as to exclude a number of important commodities such as cotton, iron and steel and artificial silk.

It is not possible to summarize the very diverse tariffs of the colonies; but Appendix XI shows the general and preferential tariffs on a number of goods for certain Crown colonies.

In 1934, after prolonged commercial negotiations with Japan, a general quota for Japanese cotton and rayon imports, based on the average imports of the years 1927-31, was introduced throughout the British Colonial

<sup>1</sup> 'Future of Colonial Trusteeship', *Round Table*, no. 96, Sept. 1934.

Empire, except in the mandated territories and the 'Open Door' colonies.

*French Empire.* The French Law of April 13th, 1928,<sup>1</sup> the consummation of a long series of protective measures, applies only to those colonies which come under the Ministry of Colonies—it excludes Algeria and the north African protectorates. It divides the colonies into two groups; the 'Assimilated', Indo-China, Madagascar and Dependencies, the four West Indian colonies and Réunion, in which the customs tariffs of the metropolitan country are applicable to imports from foreign countries; and the others, which have a special customs régime. By Articles 2 and 4 a customs union is created between France and the 'assimilated' colonies; Article 2 gives reciprocal freedom in principle from import duties for the commerce of France and Algeria in assimilated colonies and vice versa; Article 4 applies the metropolitan tariff on foreign imports to the assimilated colonies. This latter article, however, admits of exceptions due to special needs; and Article 5 provides a procedure whereby the legislative and consultative bodies in the assimilated colonies may apply for powers to reduce the rates on foreign imports laid down in the metropolitan tariff. The relations between the metropolitan country, the assimilated colonies and the other colonies are dealt with in the remaining articles. It is provided (Article 2) that there shall be free entry for French and Algerian produce into colonies in the second group unless prohibited by international agreement, while territories giving preference to French and Algerian exports shall enjoy free entry into France and Algeria for certain raw materials and foodstuffs, and the minimum tariff or reduced rates on their other exports. Territories not giving preference to French and Algerian produce are entitled to the minimum tariff in France and Algeria. Foreign goods imported into colonies of the second group are subject to local tariffs fixed by decrees adopted on the advice of the Minister for the Colonies. As far as possible, manufactured tissues of French origin are exempted from duty in intercolonial trade; sugar and French Indian loin-cloths are subject to a quota, and exempt from duty; while restrictions and prohibitions made in the metropolitan tariff in the interests of public order or for revenue are applicable to such colonial and Algerian imports as tobacco, matches, saccharine, &c. The second group of colonies have also the right to petition the Minister for Colonies for alterations to be introduced in their interest into the local tariff, which is instituted by the metropolitan Power.

The Franco-Algerian customs union is subject to certain limitations. It does not extend to the Saharan oases. Freedom from customs duty is subject to the proviso that commodities are carried in French or French colonial ships. Since France has her own agricultural supplies and cannot absorb the whole of Algerian wheat and wine, the remainder must be sold in the world market in competition with other producers.<sup>2</sup>

<sup>1</sup> *Régime douanier des colonies françaises*, 3rd ed. (Marseilles, 1930).

<sup>2</sup> See *Report on Economic Conditions in Algeria* (D.O.T., 1935), pp. 1 and 2, for the measures proposed to alleviate the situation. Restrictions were

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Tunis enjoys about the same position in the tariff régime as Algeria; but fiscal union with France itself is not complete, for a number of products, of which the most important is wine, are subject to import quotas. Morocco is compelled by the Act of Algeciras to keep an open door for all imports, nor does she enjoy special advantages in the Franco-Algerian tariff union or in the French colonies proper.

Thus the determination of tariffs in the French Empire is centralized, in contradistinction to the British practice, where even Crown colonies have a large jurisdiction over their customs regulations. The steady tightening from 1928 onwards accounts, to a large extent, for the increased importance of colonial trade in total French trade; it must have caused the transfer of some French exports to the colonial market from foreign markets in which they were unable to compete with the produce of countries with lower costs. At the same time the colonies, suffering from the heavy fall in price of raw materials which affected other primary producing countries, found a refuge in the high-priced French market for the greater part of their exports. Colonial raw materials also benefited by a system of bounties, the cost of which was defrayed by special duties on similar materials imported into France from foreign countries. After the depreciation of sterling this system of *primes de compensation* was extended, and the difference between the colonial cost of production on a gold-standard basis and the world price, which tended to be the cost of production on a sterling basis, was lessened by special grants from *caisses de compensation* in the colonies. The essence of the scheme was picturesquely described by M. Paul Reynaud:

‘The producer of ground-nuts realized that the difference in price between Manchester piece-goods and Rouen piece-goods should, in equity, entail a proportionate difference between the price of Bombay and Rufisque ground-nuts. Thus France has been forced to establish with France d’Outremer a closed system, and, thanks to protection, has been able to give them [the colonies] the means to live, as France herself lives at present, above the level of world prices.’<sup>1</sup>

Nevertheless, there has arisen an acute controversy over the resultant competition, especially of north African products, wine and wheat, with French domestic agriculture.

If the measures suggested at the Conférence de la France Métropolitaine et de la France d’Outremer of 1934-5 are adopted, the policy promoted by the tariff will be reinforced by the encouragement of special types of

placed on French and Algerian wine, but their operation fell most heavily on the Algerian product. Although Algeria grows only a quarter of the total production, her share of the wine to be withheld from the French and Algerian markets and also of the wine to be compulsorily distilled was in each case over one-half of the total (*ibid.*, p. 12). This report was written before the devaluation of the franc.

<sup>1</sup> *Report on the Colonial Estimates in the Chamber of Deputies*, Session of June 28th, 1935.

colonial agriculture complementary to French domestic production. These recommendations are described as constituting 'a complete manual of colonial policy for future years'.<sup>1</sup>

*Belgium.* Belgian Congo and the mandated territory of Ruanda-Urundi are pledged to observe the Open Door. Nevertheless, they do some 50 per cent. of their trade with Belgium, and did so before the world economic depression, although their mineral and agricultural products were in universal demand. This fact serves as a useful indication of the effect of connexions of commerce, tradition, language, currency and entrepôt trade upon trade which is not specifically canalized by tariffs. During the depression Belgium's share of the imports into Belgian Congo tended to decline under the stress of competition. On the other hand, with the shrinkage of markets, 74.9 per cent. of Belgian Congo exports went to Belgium in 1934 as against an average of 49.9 per cent. for 1925-9.<sup>2</sup> Total Congo exports fell by 40 per cent. between 1931 and 1934, while exports to Belgium fell by only 25 per cent.

To deal with this situation Belgian colonial economists suggest that the decline in imports from Belgium could be averted by some form of temporary protection; and that Belgian Congo should develop an indigenous agriculture whose chief market should be the Congo itself—thus, in their view, raising the standard of life of the agricultural and industrial community in the colony.<sup>3</sup>

*Netherlands India.* During the depression there was a shift in the direction of exports, the share of Europe increasing and the share of Asia decreasing; at the same time there was a great increase in imports from Japan, which rose from about 9.5 per cent. of total Netherlands India imports to about 30 per cent. by 1935. The two really important facts in the import and export situation are the spectacular rise of Japanese imports and the decline of sugar (and to some extent tobacco) exports. These facts sufficiently explain the shifts of exports to Europe and imports to Asia. If we exclude sugar, the index (1929 = 100) for the volume of exports stood at 106.1 in 1935 and for value at 37.8; for the total exports, including sugar, these indices were 92.4 and 32.1 respectively. Asiatic countries were the largest buyers of Java sugar, even before the depression; the decrease in sugar exports in weight from 2.5 to 1 million tons and in value from 300 to 30 million guilders between 1929 and 1935 thus mainly affected the share of Asia in the total exports of Netherlands India. The general trend has changed again; exports to Europe have been decreasing since 1934, whereas exports to America have shown an increase since 1934, and exports to Asia since 1935. Except for sugar and tobacco Netherlands India had no particular difficulty in exporting her products;

<sup>1</sup> *Le Temps*, April 14th, 1935.

<sup>2</sup> See Table, Appendix XI.

<sup>3</sup> '*La Situation économique du Congo*', Congrès Colonial Belge, p. 119: 'Lorsque le choix est possible, il faut orienter l'activité de l'agriculture européenne et indigène vers les cultures qui peuvent se passer de cette protection.'



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the difficulties in the tea and rubber markets were international in character and were met by international restrictions. Prices were low, and were in some instances (e.g. vegetable oils and fats) adversely affected by protective measures in importing countries (e.g. processing taxes in the United States), but it was generally possible to sell the whole production every year. For rubber, tea and tin the difficulty was met by international restrictions which made Netherlands India independent of special markets.

The relative increase of exports to Holland was due to various circumstances: the general shift of exports—proportionately—to Europe as a result of the dwindling sugar exports to Asia, shrinking tobacco exports to other countries than Holland, and the increased importance of Holland as a half-way station for some products, e.g. tin.

The Dutch reluctantly concluded that something must be done to check the flood of Japanese imports, which led to complaints from other countries trading with Netherlands India. Moreover, though cheap Japanese goods were in many ways a boon to the impoverished native population, too great a dependence on a single source of imported consumers' goods was felt to be dangerous. By the Crisis Import Ordinance of 1933 and later enactments, the Government took power to regulate imports. The restrictions on Japanese imports took the shape of import quotas allotted to other countries, the understanding being that the unallotted quota would go automatically to Japan. This system is likely to be continued until a trade agreement with Japan is reached, in which case Japan might get its own quota.

Some parts of the quota system aim at protecting a number of new Netherlands Indian industries, e.g. beer, cement, coloured woven sarongs and domestic ironware, all of which were threatened by Japanese competition. In the case of rice and soya-beans, import was prohibited except on special permit, mainly to stabilize internal prices. The licensing of imports aimed at securing to every well-established importing business a reasonable share of the total imports; Japanese importing houses were trying to get hold of all the imports from Japan, thus threatening the existence of the others. Regulation of trades and industries is resorted to when productive capacity is rising too rapidly and threatens to destroy a new industry, or when competition on a shrinking market grows too fierce and calls for government intervention.<sup>1</sup> The object of this system is described as the 'protection of the apparatus for import trade and distribution which had already been in existence long before the depression and which, on the whole, had served the country admirably'. This protective régime—introduced more to safeguard the Netherlands India balance of payments than to benefit the home exporter—has achieved its object.

<sup>1</sup> Analysis mainly supplied by a Dutch correspondent. See also Professor Dr. A. Neytzell de Wilde and J. H. Moll, *The Netherlands Indies during the Depression* (Sixth Conference of the Institute of Pacific Relations, 1936), Amsterdam, 1936, p. 47.

*Portugal.* An increasing part of colonial commerce is with the metropolitan country, but although the tariff preferences for inter-Portuguese trade are large an exclusive régime is not contemplated. By the decree of January 19th, 1934,<sup>1</sup> colonial products receive a 20 per cent. preference in Lisbon, while on maize, barley, coffee, cocoa and frozen meat a 50 per cent. preference may be given for a period to be fixed. Consumption of colonial produce is encouraged so far as possible by propaganda, and by government purchase for public institutions, such as schools, hospitals, &c.<sup>2</sup>

*Italy.* A preferential régime favouring Italian goods exists in Libya and Eritrea, to the extent of approximately 33½ per cent. On machinery, however, the duty is only about 1 per cent. *ad valorem* on Italian goods and 6 per cent. on foreign. No Italian preference is recorded by Somaliland or the Aegean Islands. Up to a certain quota annually fixed the produce of the colonies is admitted free of duty into Italy, and any excess pays the full rate.

*Japan.* Korea and Formosa are assimilated to the tariff system of Japan and find it most profitable to produce for the Japanese market—mainly rice, sugar and a little iron—as the tariff gives them considerable protection. Formerly the colonies produced mainly for their own use, but the tariff régime has tempted them into a large export trade,<sup>3</sup> and, incidentally, serious competition with the Japanese home agriculturalist. Although their import trade is mainly with Japan, it is less exclusively so than the export trade. Although the Japanese mandated islands are of minute importance in the total trade of Japan the actual value of the trade is increasing rapidly, from 9.4 million yen in 1925 to 31.4 million yen in 1934 and to 27.7 million yen for the first six months of 1935. This trade is almost wholly with Japan.<sup>4</sup>

The special relations existing between the trade of Japan and Manchuria deserve a short note. Table XX summarizes the developments of the past four years (1931–4).

It will be seen that after 1931 trade between Japan and Manchuria increased with a jump, but Japanese imports into Manchuria rose far more than Manchurian exports to Japan. Japanese commercial policy lays greater stress on the winning of new markets than on finding access to raw materials. Japan is confident that if she can push her sales abroad she will be able to purchase all the materials she requires.

*Spain.* Spanish Morocco is precluded by its political status from giving a preference to Spanish goods. In 1932, 34.2 per cent. of Spanish Moroccan imports were of Spanish origin. Rio de Oro and Spanish Guinea give free entrance to Spanish goods and levy tariffs on foreign goods. The Canaries

<sup>1</sup> D.L. no. 23474 of January 19th, 1934.

<sup>2</sup> For a recent study of the Portuguese colonies see Carlo Gya, 'Economica Africana', *Le Colonie Portoghesi* (Florence, 1936).

<sup>3</sup> Wright, *Trade and Trade Barriers in the Pacific* (I.P.R., 1935), p. 187.

<sup>4</sup> See Annual Report to the Council of the League of Nations on the administrations of the South Sea Islands under Japanese mandate for 1935.

TABLE XX

Year	Imports into Japan from Manchuria		Exports from Japan to Manchuria	
	Per cent. of all imports into Japan	Per cent. of all exports from Manchuria	Per cent. of all exports from Japan	Per cent. of all imports into Manchuria
1931	11	19.6	6	24.6
1932	9	22.9	10	53.9
1933	9	37.0	16	57.8
1934	8	38.4	19	61.3

Source: *Pacific Affairs*, vol. viii, no. 2, June 1935; *Profit and Loss in Manchuria*, by A. J. Graidanzer.

give no preferences. The produce of the colonies is liable to the minimum Spanish tariff with the exception of certain raw materials admitted free. In 1932, 96.5 per cent. of Moroccan exports went to Spain.

*United States.* The non-contiguous territories of the United States have a régime of a kind similar to that of the assimilated colonies of France and Japan.<sup>1</sup>

#### vi. *Shipping Regulations furthering the Trade of Metropolitan Powers*

Included in the value of imports into a country is the cost of the services required to bring them there—the cost of shipping and insurance. Accordingly colonial trade is more profitable to the metropolitan country if it is transported under the national flag. Many colonial Powers reserve as much of their intercolonial trade as possible for their own shipping, just as countries which have a considerable coastal trade often endeavour to restrict it to their own ships.<sup>2</sup> The opposed economic argument is that shipping services are an export like any other, and that to attempt to preserve a trade which cannot face competition from elsewhere is merely to subsidize uneconomic concerns and force up prices for the consumer. The maintenance of a mercantile marine is so obviously a partly strategic question, however, that Adam Smith defended the English Navigation Laws of his day.

Since the World War the demand for security has stimulated all countries with a large ocean-going or coastal trade to encourage their own shipping lines. Foreign trade has often been subsidized; colonial trade has been reserved as far as possible to national ships.

<sup>1</sup> For the changed position of the Philippines during the early years of independence and the gradual imposition of restrictions on the import into the United States of Philippine produce see Chapter XII, section iv.

<sup>2</sup> For coastal trade discrimination against ships of other nationals see *Inquiry concerning Meaning attached to Coastal Trade in the Various Countries*, League of Nations, c. 195. H. 78, 1931, VIII.

In France the law of June 30th, 1934, providing under certain circumstances for the complete reservation of transport of colonial produce from colonial ports to France, has not been applied, but other measures have been taken in the form of subsidies to the merchant navy to enable it to meet foreign competition.<sup>1</sup>

In Netherlands India a clause in the Crisis Import Ordinance provides that for goods imported under a licence the Governor-General may authorize the fixing of a proportion in which licence-holders are bound to have those goods carried by vessels under the Dutch flag; coasting trade may be reserved for Dutch shipping. But these clauses have not yet been applied.<sup>2</sup>

In Belgium, shipping serving the Belgian Congo is subsidized.<sup>3</sup> Portuguese shipping between Portugal and the colonies and between colonial ports is protected,<sup>4</sup> but, by an agreement signed in Lisbon, discrimination against British shipping ceased in colonial ports after July 1st, 1936.<sup>5</sup> Italian, Japanese,<sup>6</sup> Spanish, and American<sup>7</sup> colonial and coastal shipping are all stringently protected. The only direct discrimination<sup>8</sup> in favour of British shipping is provided by the shipping subsidy of two millions a year to encourage a 'scrap and build' policy put into operation in December 1934. Indirect encouragement of shipping between Empire countries

<sup>1</sup> *Y.B.C.C.D.*, 1934, vol. ii, p. 61. The coasting trade regulations include 'Algerian ports, which thus makes trade between Algeria and France "bornage national", restricted to French shipping with certain exceptions' (Arts. 398 and 399 of decree of Dec. 28th, 1926). The absence of competition with ships of other countries has resulted in high freight-charges. In 1923 the French Ministry of Commerce admitted they were 20 per cent. above world freight-charges, and the disproportion has since increased. As the annual freight-bill between Algeria and France is approximately 300 million frs., Algeria pays a large indirect subsidy to the French Merchant Marine. Since 1929 Algeria has made annual contribution of 2½ m. frs. towards a fund placed at the disposal of the French Government for the replacement of eight passenger ships which ply between France and Algeria. These ships are leased to three private shipping companies. (See Department of Overseas Trade, *Report on Economic Conditions in Algeria, Tunisia and Tripolitania*, March 1935.)

<sup>2</sup> De Wilde and Moll, op. cit., p. 85.

<sup>3</sup> *Situation économique du Congo*, p. 156; the Belgian Government has a considerable share in the C<sup>ie</sup> Maritime Belge (a fusion of Lloyd Royal Belge and C<sup>ie</sup> Belge Maritime du Congo). The extraordinary expenditure for the Budget for 1934 included an item of 25 million francs—'Assistance to Merchant Marine': see *State Assistance to Shipping*, Oct. 1934, U.K. Chamber of Shipping.

<sup>4</sup> Art. 16 of Decree 8383 of Sept. 25th, 1929. The Companhia Nacional de Navegação is subsidized to the extent of 850,000 escudos per annum.

<sup>5</sup> Department of Overseas Trade, *Report on Economic Conditions in Portuguese East Africa*, 1935, p. 25.

<sup>6</sup> Trade between 'Japanese ports' is restricted to national ships, with certain exceptions. Presumably this includes the ports of assimilated colonies. The subsidy to all Japanese shipping in 1932-3 totalled £1,300,000.

<sup>7</sup> Section 27 of the Maritime Act of 1920 provides the inclusion of outlying territories in the regulations for coastal shipping.

<sup>8</sup> But Sections 324-7 of the Customs Consolidation Act, 1853, give powers of retaliation in case of discrimination against British shipping.

TABLE XXI

*Percentage by Flags of Net Tonnage of Shipping entered and cleared at the Ports of the various Colonial Empires and Mandated Territories (exclusive of Metropolitan Ports) with Percentages of Total Tonnage owned in 1934 (Steam and Motor Ocean-going Vessels on Lloyds' Register, June 1st, 1934)*

Flag	British colonial territories <sup>a</sup>	British mandated territories <sup>b</sup>	French colonial territories <sup>c</sup>	French mandated territories <sup>d</sup>	Netherlands Indies <sup>e</sup>	Belgian Congo	Italian colonial territories <sup>f</sup>	Portuguese colonial territories <sup>g</sup>	Spanish Is. and African possessions <sup>h</sup>	Total tonnage owned	Flag
American	8.2	2.4	1.4	1.7	0.9	7.2	h	0.3	1.1	15.8	American
Belgian	h	0.9	h	..	h	69.9	..	6.4	1.9	0.7	Belgian
British	52.1	32.2	12.8	20.4	28.9	2.2	2.9	35.1	33.0	33.5	British
Dutch	6.1	4.5	1.5	1.7	45.2	1.1	..	5.9	4.8	4.4	Dutch
Danish	1.7	0.9	0.6	h	0.1	..	h	h	2.2	1.8	Danish
French	5.0	17.4	53.0	40.0	1.2	4.9	0.8	1.2	6.2	5.3	French
German	5.5	8.1	3.7	3.5	3.7	7.2	1.5	11.0	12.1	5.9	German
Greek	0.5	3.5	0.9	3.1	1.2	..	0.4	h	2.9	2.4	Greek
Italian	4.6	23.9	7.4	16.1	1.3	6.1	87.9	3.1	6.2	4.7	Italian
Japanese	7.3	h	1.4	..	6.9	0.9	3.8	0.1	..	6.5	Japanese
Norwegian	3.9	1.3	2.3	..	8.4	..	0.9	1.2	1.0	6.4	Norwegian
Portuguese	1	..	1	..	..	0.3	..	34.3	0.4	0.4	Portuguese
Spanish	1	..	1.71	..	..	..	..	..	19.4	1.9	Spanish
Swedish	1.0	1.4	0.6	0.4	1.0	..	0.8	0.7	6.2	2.6	Swedish
Other flags	2.1	0.5	7.8	12.8 <sup>k</sup>	1.2	0.2	1.0	0.2	2.6	7.7	Other flags
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.01	Total

<sup>a</sup> Excluding Sierra Leone, State of North Borneo, Papua, Channel Islands. <sup>b</sup> Palestine, Tanganyika, New Guinea and Western Samoa only. <sup>c</sup> Algeria, Morocco, Tunis, Indo-China, French West Africa, Madagascar and French Oceania only. <sup>d</sup> Includes coastal trade. <sup>e</sup> Shipping entered only. <sup>f</sup> On 1,000 cubic metres instead of tonnage. <sup>g</sup> Mozambique and Angola only. <sup>h</sup> Less than 0.1 per cent. <sup>i</sup> Included under 'Other Flags'. <sup>j</sup> Spanish ships calling at Morocco, Tunis and Algiers only; others included under 'other flags'. <sup>k</sup> Figures for Syria distinguish only French, British, Italian, Greek and 'other flags'. <sup>l</sup> World gross tonnage less American lake and river tonnage. <sup>m</sup> Includes Dominion shipping.

Source: Annual reports on trade and shipping of various countries, and annual colonial reports.

Italics indicate metropolitan flag.

exists in the sense that for goods to receive the benefit of Imperial protection they have to be shown to be of British origin, which in fact means that a proportion of their costs must be shown to have arisen from the use of British materials or labour—which includes the cost of transportation. This indirect protection of national shipping exists, of course, in other countries in varying degrees.

It is not easy to estimate the percentage of shipping business done by various nations with their colonial possessions; Table XXI gives tonnages of ships entered and cleared, but this normally includes ships in ballast and ships which merely call, besides in some cases including coastal trade; it therefore provides a general indication only. No figures are available for Japanese colonies.

National ties, the debtor-creditor connexion, the existence of identical or allied currency systems, of common weights and measures, of long-standing business connexions, fortified by tariff preferences and by shipping regulations—all these factors tend to drive colonial trade into channels between the metropolitan country and the colony. But there are other strong influences at work, since colonial raw materials and foodstuffs have a world market.

#### vii. *Regional Colonial Trade*

Proximity is another factor affecting trade connexions. Every colonial country has natural trade connexions with its neighbours. The great proportion of colonial trade, however, will probably continue to be with distant markets because of the complementary relation between the produce of tropical countries and the products of industrialized countries in the temperate zones. General statistics deal much more fully with this trade than with trade between countries in the same geographical zone; information on the latter can be collected only from the examination of the trade statistics of individual colonies. An analysis of the trade of the British West Indies shows some interesting results.

In spite of the influence of proximity on trade, there is a tendency for the British West Indian Islands to decrease their trade with the United States and foreign countries, and to increase it with British Empire countries. This is partly due to the link with sterling and partly to the stimulus of imperial preference, which began with the customs and economic agreement to promote West Indian-Canadian trade made between certain West Indian islands and Canada in 1912 (revised every five years) and culminated in the Ottawa Agreements of 1932. There is an increase in the proportion of regional trade within the Caribbean itself during the depression, but the imperfection of British West Indian communications both with the outside world and among the islands hampers the development of internal and of regional trade.<sup>1</sup>

There is little information on intra-African trade other than for British territories. The available figures show that trade is developing between

<sup>1</sup> See Macmillan, *Warning from the West Indies*, pp. 23, 38.

TABLE XXII

*British West Indies: Geographical Distribution of Trade*

	<i>Imports into British West Indies</i>			<i>Exports from British West Indies</i>		
	<i>Average 1925-9</i>	<i>Average 1930-4</i>	<i>1934</i>	<i>Average 1925-9</i>	<i>Average 1930-4</i>	<i>1934</i>
United Kingdom .	30.2	37.4	38.4	28.9	36.4	45.0
Canada .	19.8	16.9	14.6	19.8	25.2	26.0
British West Indies .	3.0	4.1	4.2	2.6	4.8	4.6
Other British countries	5.8	6.5	7.7	2.1	2.1	2.4
<b>Total British countries</b>	<b>58.8</b>	<b>64.9</b>	<b>64.9</b>	<b>53.4</b>	<b>68.5</b>	<b>78.0</b>
United States .	31.4	27.3	26.9	31.3	15.1	8.7
Other foreign countries	9.8	7.8	8.2	15.3	16.4	13.3
<b>All countries . . .</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

adjoining territories. The most obvious economic regions are (a) Southern Africa (i.e. the Union, and the countries with which she has special connexions: Southern and Northern Rhodesia, Nyasaland and Portuguese East Africa); (b) East Africa (Kenya, Uganda, Tanganyika and Zanzibar); (c) Anglo-Egyptian Sudan and Egypt, with Eritrea and Abyssinia; (d) the four British West African territories and certain parts of French West Africa—French Equatorial Africa and French Cameroons. Belgian Congo has natural relations with more than one of these groups. This regional trade is in some colonies steady from year to year; in others the returns show great fluctuations, due to variations in the amount of external trade, to changes in the basis of the returns, and in some areas to changes in the agricultural yield in particular years. Unlike the regional trade of the West Indies, inter-African trade generally declined in the depression years. Production in various African countries is to some extent complementary. For example, Gold Coast exports to other parts of West Africa rice and flour, and receives in return lumber (from Nigeria) and coal (from French West Africa). Kenya and Uganda receive rice, tobacco, and ghee from Tanganyika and coal from the Union of South Africa, and send in return maize, wheat, flour, sugar and coffee. The Rhodesias import manufactures and blasting compounds from the Union and sugar from Portuguese East Africa; they export to the Union tobacco and wood, and to Portuguese East Africa flour, meal and cigarettes. There is a mutual trade between Northern and Southern Rhodesia. An extension of regional African trade depends mainly on the increase of industrialization, and particularly on the manufacture of consumption goods in Africa.

The regional trade of the East Indies and Malaysia forms a larger part of total trade. In spite of her assimilation to the French tariff system

Indo-China does about 30 per cent. of her import trade and about 44 per cent. of her export trade with other Eastern countries, excluding Japan. Since the great entrepôt port of Singapore is in Malaya, regional trade is of great importance.

### viii. *Effect of Imperial Policies on Colonial Communities*

The trend of the colonial policies embodied in the British Import Duties Act 1932 and the Ottawa Agreements, the French colonial tariff law of 1928, the new Portuguese imperial tariff and similar laws is, however, to discourage trade from foreign territories, and so to discourage regional trade unless the neighbouring territories are under the same flag. Where costs in the metropolitan country are relatively high, the inevitable result is to force up the colonial cost of living. In his opening speech to the Advisory Council of French West Africa, December 7th, 1934, the Governor-General, M. Brevié, insisted on the serious sacrifices accepted by the colony. The import of French cotton cloth into West Africa in 1933, in spite of the devaluation of sterling and of the yen, and of Japanese competition, was valued at 24 million francs more than in 1932, an increase obtained at the cost of heavy charges on the natives in the Free Zone, who paid in extra import duty on foreign cotton tissues a sum of about 23 million francs.<sup>1</sup> At the French colonial conference of 1934-5 colonial governors made strong representations on tariff régimes.<sup>2</sup> Moreover, the effect of the overvaluation of French currency was felt to a disastrous degree by the colonies, where the local currencies were linked with the franc; money became extremely scarce, and the scarcer it became the more it was hoarded, until it was estimated that in Indo-China the circulation was in the neighbourhood of only 11 piastres per head. The gravity of the situation was stressed in the report on the French Colonial Budget for 1935-6;<sup>3</sup> figures are not yet available to show the effects of the subsequent devaluation.

<sup>1</sup> *Y.B.C.C.D.*, 1934, vol. ii, p. 317.

<sup>2</sup> Cf. the speech of M. Rollin: 'The planting of the vine in North Africa and Tunis proved extraordinarily profitable for a time both to the merchants and to the growers at home. Production increased, but consumption, especially abroad, decreased. Tunis was the first to suffer, for Algeria, being a department of France, naturally had a logical claim to a free market in the other departments of France. The Tunisians themselves, mostly Mohammedans, drink no wine, the home market is closed or nearly so, and to-day vines are being torn up all over the country. Even in Algeria growers are hard put to it to find a market for their wine . . . as the protests of vine-growers at home have compelled the central government to restrict imports. With wheat and with oil the tale is the same—a quota limits the amount which can be sent to France, while elsewhere competition is on a cut-throat scale. The native, bewildered at having first been encouraged to get the most out of his land and then discouraged by a refusal to receive his crop, is at once discontented and . . . reduced to poverty.' (*The Times*, Dec. 4th, 1934, reporting on the speeches made at the Conférence de la France Métropolitaine et d'Outremer).

<sup>3</sup> Report by M. Paul Reynaud, reporting on the French Colonial estimates for 1936, quoted in the *Y.B.C.C.D.*, 1935, vol. ii, p. 43.



Under Schedule D of the Canadian Agreement concluded at Ottawa certain colonies undertake to impose a specific duty of one shilling a pair in addition to their general *ad valorem* tariffs upon rubber boots; the shilling to be the margin of preference in favour of the Dominion product against the Japanese. Similarly a new specific duty of sixpence a pair is put on foreign hosiery to give the Dominion product the corresponding preference. These duties, representing between 50 and 100 per cent. increases in the *ad valorem* price, are a burden on the colonial consumer, whose purchasing-power is relatively low.<sup>1</sup> In Mozambique, where the preference for Portuguese goods was in 1932 largely increased, the trader has found his position more and more difficult; at the same time farmer, civil servant, and trader are faced with new forms of taxation to offset the fall in government revenue. The result of a recently imposed tax on electrical installations was that a large number of small users of electricity in Lourenço Marques disconnected their installations and reverted to more primitive methods of illumination and heating. This is only one of many examples of the decline in the standard of living.<sup>2</sup>

The position in Netherlands India after the application of the Crisis Import Ordinance has been analysed by MM. de Wilde and J. H. Moll.<sup>3</sup> They point out that the natural tendency was for prices to rise under the influence of protective regulation of imports.

'Such a rise in prices may be considered desirable in itself (as in the case of rice and soya-beans) with a view to restoring the buying power of the population, or it may be accepted as an unavoidable disadvantage that may, however, be justified by greater advantages not directly connected with the prices paid—such as alleviating unemployment, the safeguarding of existing concerns, the fostering of budding enterprises, &c.'

Thus the cost of promoting intra-imperial trade falls heavily on the colonies. Freer international trade is to their advantage in their present state of economic dependence on the markets of the industrial nations of the world; and it is essential to their development as economic regional entities. On the other hand, the statistics shown in Appendix XI suggest that in an era of restriction and decline in world trade the possession of colonies helped to tide metropolitan countries over difficult times.

It is perhaps natural that efforts should be directed to making the colonial economy complementary to the metropolitan economy. But a colony may only be able to secure full development by taking its place at some time in some larger regional aggregation, and it is therefore to the

<sup>1</sup> See the *Economist*, Oct. 29th, 1932; and for other cases of raising the cost of living see remarks of Professors Viner, Pedersen and von Beckhard in *State and Economic Life*, pp. 113–23.

<sup>2</sup> *Economic Conditions in Portuguese East Africa*, D.O.T. Report no. 624, July 1935.

<sup>3</sup> De Wilde and Moll, *Netherlands India during the Depression* (Amsterdam, 1936), pp. 71–2.

interest of the colonial community that regional economic relations should be developed. To direct colonial economy towards a purely complementary relation with a distant metropolitan country is to retard the possibilities of maturity.

That colonial territories should advance to a fuller economic and political development is the avowed aim of most colonial powers who hold their empires 'in trust'; and that such development, however long it may take, will ultimately conduce to the material well-being of the world economy is at least promised by the present position of the United States, once colonial territory, but now a Great Power whose foreign trade in 1934 was almost as great as that of all the colonial territories of the world put together.

## CHAPTER XVI

### RAW MATERIALS AND FOOD-SUPPLIES

Degrees of self-sufficiency—European food imports—colonial raw materials sold to foreign countries—export duties and administrative restrictions—producers' restriction schemes—consultation of consumers—war-time conditions—sanctions—substitutes—exchange difficulties—changing demand.

It has been shown in section ii of the preceding chapter that colonial production is only predominant in a limited range of products, and that no metropolitan Powers meet very large proportions of their total requirements in food or in raw materials from their colonies.

A redistribution of colonial power is sometimes demanded on the ground that the greater colonial Powers have an unjust share of natural resources and so are able to impose their will on other Powers.<sup>1</sup> There is a tendency to exaggerate the importance of colonial production of raw materials, except in one or two cases. But it is argued that these resources are potentially considerable and might be further developed in the hands of 'necessitous' Powers.<sup>2</sup> It is assumed that possession of the territory which supplies these resources is the only way in which access to them can be assured and equality of industrial opportunity realized.<sup>3</sup> Were this true,

<sup>1</sup> An account of the proposals put forward at the Peace Conference and subsequently for ensuring the equitable distribution of supplies is given in Appendix XII.

<sup>2</sup> The Japanese Foreign Office spokesman, referring to the debate on colonies in the House of Commons (Feb. 11th, 1936), divided nations into three categories: (1) those who had enough and were content; (2) those who possessed resources but lacked vitality to develop them; and (3) those who possessed vitality but lacked resources. He clearly included Japan in the last group, but avoided saying whether the vital nations should develop the resources of the backward ones. He admitted that Japan had found no difficulty in obtaining raw materials, but complained that access to certain markets for Japanese goods was obstructed. (*The Times*, Feb. 12th, 1936.)

<sup>3</sup> The case has been put from an Italian source as follows: It is obviously impossible to change the geographical distribution of raw materials; minerals are in the spot where nature placed them when the continents rose from the depths of the sea; vegetation and animals prosper where the climate and soil permit. But these caprices of nature, who is a mother to certain regions, a cruel stepmother to others, constitute a great injustice and are an inexhaustible source of dissension. Abundance of raw materials may be said to enlarge the territory and aid the development of the population of a State. A supply of raw materials greater than that which is necessary for the industrial development of a country assists the commerce of this country, just as though its territory or its population had been increased. In the case of certain raw materials, moreover, their value is above all determined by their scarcity and their existence in limited quantities, so that the country which possesses them does not gain through its own superior capacity for study or for labour, but solely through the poverty of others. (Gino Baldesi, Annex 121, p. 217, to *Minutes* of the Council of the League of Nations, Tenth Session, Oct. 20th–28th, 1920.)

the very existence of most countries would be extremely precarious. It is, however, worth while to examine how far various countries are self-sufficient in raw materials.

i. *Extent of Reliance on External Sources*

No country and no political unit produces all the raw materials it requires.<sup>1</sup> The only great Powers which do not normally import large quantities of raw materials are the United States of America and the U.S.S.R. Even they lack some of the essentials to normal economic life. The United States is largely dependent on outside supplies for certain non-ferrous metals and for some textile materials other than cotton, and is entirely dependent for rubber. The U.S.S.R. also requires certain non-ferrous metals, certain textile materials and tropical and sub-tropical products. She has, however, increased her production of cotton, and is now potentially independent of outside supplies. There is no reason why she should permanently require to import wool.

Leaving the British Dominions out of account, since they are not dependent territories and control their own economic resources, Great Britain with the Colonial Empire has marked deficiencies in certain non-ferrous metals, in textile materials, timber, potash and petroleum. If the Dominions were included, these deficiencies would be remedied for certain non-ferrous metals, for two textile materials (wool and jute) and for timber. Petroleum would still be deficient, but the Middle East supplies are within the British sphere of influence. Taken by herself Great Britain would have few superfluous resources, except in coal, and a long list of deficiencies, particularly in essential foodstuffs. France, with her Colonial Empire, is deficient in all textile materials except flax, in most of the non-ferrous metals, and in petroleum and rubber.<sup>2</sup> Japan, Czechoslovakia, Poland, Germany and Italy are all largely dependent on outside supplies. Germany shows a surplus only in coal and potash.

Very few European countries produce within their home territories anything like adequate supplies both of food and raw materials, though, owing to high protection and other encouragements to agriculture, some have become largely self-sufficient in essential food-supplies. This policy of fostering food production has kept internal prices of staple foods in many European countries well above world prices.<sup>3</sup>

<sup>1</sup> The table given on p. 29 of the R.I.I.A. pamphlet on *Raw Materials and Colonies* shows the general position for ten leading industrial States, including the production of their dependencies.

<sup>2</sup> Production in Indo-China increased, however, from 11,000 metric tons in 1931 to 29,000 in 1935.

<sup>3</sup> In the first nine months of 1934 the average price in Berlin, Paris and Milan of home-grown wheat was almost three times as great as the price of imported wheat in Liverpool reckoned in gold price quotations. Butter prices showed similar, though not quite so great, disparity. While these gold price quotations present a slightly exaggerated picture, the figures quoted by the *Economist* of Jan. 5th, 1935, from the *Frankfurter Zeitung* show the high

Continental importers of grain are Belgium and Holland (each over 2 million metric tons a year); Germany and Switzerland (each under 1 million metric tons).<sup>1</sup> None imports dairy produce on a large scale; German imports of butter, margarine and cheese are 98,000 metric tons. No country imports large quantities of meat and meat products, and the only considerable sugar importers are France, Belgium and Switzerland. The maintenance of their home production demands imports of fodder and fertilizers, but continental European countries are not heavily dependent on imported supplies of food, except for tropical products, certain of which have become practically indispensable in the European dietary (tea, coffee, cocoa and non-animal fats, i.e. oil-seeds providing vegetable oil for human consumption and cattle cake and meal). But in 1935 United Kingdom imports for home consumption included 1,466,000 tons of meat and meat products; 698,000 tons of dairy produce;<sup>2</sup> 8,770,000 tons of wheat, barley and maize; 399,000 tons of wheat meal and flour; and nearly 2 million tons of sugar.<sup>3</sup> She is thus the only European country seriously dependent on outside supplies of food for her population. Japan's dependence on outside supplies of foodstuffs is considerable; in 1935 she imported large quantities of wheat, rice, beans, peas and sugar, and some meat.

No European Power, however, except the U.S.S.R., which is also an Asiatic Power, has any high degree of self-sufficiency in raw materials. The United Kingdom is even less well placed than Germany and France, but, again, Empire supplies place her in a favourable position so long as communications remain open.

Equality of resources with the federations of the United States and the U.S.S.R. is obviously impossible for European States and is unattainable even by European union, unless that union<sup>4</sup> covers home and colonial resources.

prices paid by the German consumer for commodities relatively to prices in the world market. The difference is most glaring for sugar (44 RM. per 100 kilos against a world market price of 9.17 RM.). Similar figures for other high-protection countries would give results not very different. France grows most of her own food, and if her north African territories are included, she has a high degree of self-sufficiency. Pressure has had to be put on French agriculturalists in north Africa to prevent undue competition with farmers in France.

<sup>1</sup> Italy and Germany, however, became considerable importers in the spring of 1937.

<sup>2</sup> Excluding a yearly import of over 2,000 million eggs.

<sup>3</sup> Figures taken from *International Trade Statistics* (League of Nations, 1935).

<sup>4</sup> *The Bulletin of International News*, R.I.I.A. (July 4th, 1936), calculated how far Germany might be self-sufficient if she were able to monopolize the resources of south-eastern Europe. The conclusion reached was that a *bloc* of this kind would not meet German raw-material requirements.

‘Of about thirty-five more or less essential materials, she herself produces sufficient quantities of only two—coal and potash. (Cf. *Raw Materials and Colonies*, Information Department Paper no. 18, pp. 28–32: “The Raw Material Deficiencies of the Leading Industrial States”). As regards half a

The chapter on trade has shown that the purchase of colonial raw materials, as of raw materials produced elsewhere, is a question of reciprocal trade. The United Kingdom, which does not seek to monopolize her colonial trade (in spite of the preferences adopted in the last few years), does not purchase from her colonies all the raw materials she needs, even where the colonies could supply her in full. British colonies provide 56 per cent. of the world's rubber, but the United Kingdom draws 20 per cent. of her supplies from foreign sources. In petroleum the British Empire is by no means self-sufficient, but the United Kingdom takes only 36 per cent. of Trinidad exports and a very small part of the exports of Sarawak. Nigerian tin for smelting comes exclusively to British countries, but Malaya, which produces 31 per cent. of the world supplies and smelts practically the whole of her tin, sends only 10 per cent. of her exports to the United Kingdom. Colonial woods and raw cotton come largely to the United Kingdom, but each represents less than 10 per cent. of total United Kingdom requirements.

The argument that territorial control is essential for access to colonial raw materials is shown to be fallacious by the trade returns of two important colonial producers of tin and rubber, Malaya and Netherlands India. Malaya's most important customer is the United States; in 1934 18.9 per cent. of her exports went to the United Kingdom, some of them to be re-exported. In the same year Holland took 21.4 per cent. of Netherlands India exports, a higher proportion than usual, a considerable part

dozen other materials she has some, but insufficient, supplies; of these, the balance might be supplied by south-eastern Europe in the case of timber (Yugoslavia, Czechoslovakia, &c.), pyrites (Greece), graphite (Austria, Czechoslovakia), and magnesite (Czechoslovakia), but only a fraction of the necessary quantity could be forthcoming in the case of iron (Austria, Yugoslavia) and zinc (Yugoslavia). As regards the very long list of materials for supplies of which Germany is completely dependent upon outside sources, about six could probably be produced in sufficient quantities—petroleum (Rumania), bauxite, the ore of aluminium (Hungary, Yugoslavia), nickel (Greece), chromium (Turkey, Greece, Yugoslavia), antimony (Czechoslovakia), and hemp (Yugoslavia, Rumania, &c.). To this list should perhaps be added lead (Yugoslavia), flax (Yugoslavia, Rumania), and vegetable oils (Greek olive oil, and some rape-seed, sesame, and even soya-beans).

After this comes a group of which only a very small proportion of the quantity required could be produced—including cotton (Turkey), wool (Rumania, &c.), silk (Greece), copper (Yugoslavia), manganese (Czechoslovakia), and mercury (Czechoslovakia). Finally, there are the materials of which no member of the *bloc* could at present supply any quantity at all—including rubber, tin, tungsten, vanadium, molybdenum, platinum, phosphates, jute, manila hemp, sisal, palm-oil and copra.

Of what Dr. Goebbels has called the "basic materials of modern industrialism"—coal, iron, oil, cotton, rubber and copper—the *bloc* would, therefore, possess sufficient coal (Germany), and oil (Rumania), some iron, less copper, still less cotton, and no rubber (although here the possibilities of synthetic production should be borne in mind). Its position would be relatively strong, but not comparable to that of the United States, the U.S.S.R., or the British Empire as a whole.' (*The Bulletin of International News*, July 4th, 1936, p. 8.)

of the goods being re-exported from Holland. If the colonial Power creates a closed market a different situation arises, for every addition to the areas of trade restrictions increases the general difficulties of the many countries requiring supplies from outside their own borders. These countries would like to be assured that countries or financial groups exercising control of sources of supply will not exploit their position at the expense of other buyers.

## ii. *Restrictions on Production and Sale*

Restrictions on the production and sale of primary commodities are frequently mentioned as constituting a serious obstacle to access, but it is possible, as regards colonial production, that their importance is exaggerated. Such restrictions are of three general kinds. First, there are preferential duties on exports of raw materials with the object of diverting them to the metropolitan country. A prohibitive duty is levied on tin ore exported from the Malay States, unless it is destined for smelting in the Straits Settlements (since 1903), the United Kingdom (since 1904) or Australia (since 1916).<sup>1</sup> A similar advantage to British smelters has been given since the War on exports of tin from Nigeria. A discriminatory duty on palm-kernels from British West Africa was applied in 1919, but discontinued in 1922. The practice of preferential export duties is growing in French colonies. Export duties are imposed in Spanish Guinea, Italian Libya and Somaliland and in the Virgin Islands of the United States, but none of these are important producers. Probably discriminatory export duties and other practices, resulting in a cheaper sale of raw materials to the mother country than to other States, have not had any considerable influence on world economic conditions. But there is undoubtedly the risk that States controlling the supply of certain raw materials might misuse the quasi-monopoly situation. Secondly, obstacles are sometimes put in the way of the development of natural resources by foreigners, e.g. the stipulations in some British colonies that licences for boring for petroleum can be issued only to British subjects. The third and most important restriction on freedom of access takes the form of control schemes, especially in rubber, tin, potash, nitrates, copper, lead, zinc, wood pulp, sawn-wood manufactures, cotton, aluminium, steel, and, in foodstuffs, coffee, sugar, tea and wheat. Not all of these, as we have seen, are important colonial products; moreover, the restriction is general and the maintenance or rise in prices affects the consumer in all countries alike.

The fall of prices of staple products during the depression was extraordinarily dangerous to countries depending mainly on one or two groups of commodities for export. The development of Africa since the War and the increased production of non-colonial areas taken together led to a surfeit of certain raw materials and of some tropical foodstuffs. The

<sup>1</sup> The Malayan duty was originally imposed, apparently, in order to build up a local smelting industry, and was later remitted on export to the United Kingdom and Australia under pressure from London.

difficulty in recent years has not been to obtain raw materials, but to sell them,<sup>1</sup> a difficulty illustrated by the fall in prices of primary commodities in 1929-34. General economic recovery has recently, however, caused a rapid rise in the prices of many goods, and in the six months October to March 1936-7 tin advanced by 50 per cent. and copper, lead and zinc nearly doubled in price, while rubber, cotton, wool, sugar, wheat and cocoa also show large price-increases.<sup>2</sup>

While prices were declining, producers, faced with heavy falls in profits, or even with total losses of capital, attempted to restore the level of prices by mutual agreement to restrict production for export. In some instances these agreements were facilitated and enforced by government action.

Some of these schemes have broken down, but others have been successfully maintained. It may be, and is, argued that restriction schemes were essential if producers were not to go bankrupt, with the consequent impossibility of resuming production on the required scale when the slump was over; on the other hand, it is urged that the extent of the market depends partly on price, and that schemes which raise prices will reduce effective demand.

From the short point of view it may be said that successful restriction schemes are of direct, immediate benefit to: (1) the proprietors of the producing concerns, frequently overseas shareholders; (2) in some cases, some or all of the employees of the producing concerns, who might otherwise have suffered a greater reduction in wages; and (3) under given circumstances, the governments of the territories in which the concerns are situated, owing to higher receipts from taxation.

On the other hand, restriction affects injuriously: (1) consumers of the product, whether nationals of a colonial Power or not (whether the cost is borne by intermediate purchasers or by the ultimate consumer will depend on circumstances); and (2) those persons who lose their employment, owing to smaller trade in and use of the product.

Whether restriction schemes in a colony on balance benefit the metropolitan country it is generally impossible to say; since some of the nationals of the metropolitan country are probably shareholders in the restricting concerns, there will be some gain to be offset against the losses by consumers. For consuming countries where there are no resident shareholders of the restricting concerns there is a clear loss, for no such gains exist to be set against the losses of consumers.<sup>3</sup>

There is one possible exception to this statement of the immediate effects of restriction schemes. If, as a result of the higher price, the com-

<sup>1</sup> Colonial countries had heavy stocks that they were only too anxious to sell. Ceylon, for instance, was able to export in 1934 only about one-fifth of her potential output of graphite.

<sup>2</sup> For a table of prices, 1927-37, see the *Bulletin of International News*, R.I.F.A., vol. xiii, no. 20, April 3rd, 1937, p. 10.

<sup>3</sup> See Mr. H. V. Hodson in the *Survey of International Affairs*, 1935, vol. i, p. 388.



bined incomes of nationals of the restricting colonies increase, their imports will also probably increase, and there will be an increased demand for the exports of industrial countries. In this case, the consumers in industrial countries are in effect being taxed, mainly for the benefit of the owners of the restricting industries, but to some extent for the benefit of their own exporting industries. Such indirect benefits are likely to accrue in a greater degree to the exporters of the metropolitan country than of other countries. But it must be repeated that the extent of the market depends partly on price, and that restriction schemes formed to raise prices will, other things being equal, tend to reduce consumption.

### iii. *War-time Conditions. Economic Sanctions*

The question of access to primary supplies could be settled much more easily in a world in which war was unthinkable. But the experience of the last war taught the belligerent nations the importance of having adequate supplies of food and war materials on their own territory or in territory with which they had secure and reasonably short communications. Neutrals learnt that overseas supplies of essential foods and raw materials could only be obtained with the goodwill of Powers controlling the sea routes. The self-sufficiency campaign in Europe is explained principally by war mentality, and no country feels safe in abandoning it so long as the maintenance of peace is precarious.

The important factors in war-time supply are communications and, therefore, distance. Without command of sea communications, a metropolitan Power is not able to use her colonial supplies, however plentiful; and, even with open communications, supplies in a distant colony may be wasted because shipping has to be rationed to transport the maximum of material. Thus, in the last war, butter in Canada or the United States was accessible; at the time when the pressure on shipping was greatest, New Zealand butter was not. Similarly north African supplies are of more use to France in war-time than supplies from Indo-China, and the proximity of Japanese colonies to Japan makes them as useful in war as in peace. But provided that defence permits access to colonial areas, it is an advantage in war-time to possess colonies producing essential raw materials. Among key products of this kind for the making of steel alloys and steel, and therefore of munitions, may be instanced manganese (imported in the form of various ores), tungsten and zinc.

During the last war the Allies were able to draw large supplies of food, raw materials, and munitions from the United States. It is very doubtful whether such supplies on anything like that scale would be available in a future contest. The default on war debts might prejudice the repetition of supply on such a large scale, and recent United States neutrality legislation would operate to limit war supplies.<sup>1</sup>

<sup>1</sup> See the summary of the Neutrality Act of April 1937 in *The Times* of April 29th and April 30th, 1937.

How then is the demand for self-sufficiency to be stopped without establishing real security against war? There is probably no satisfactory answer. General acceptance of the Wilsonian doctrine of 'freedom of the seas' would provide that sea communications should remain open even during hostilities, but even then the doctrine might be repudiated under the stress of events.

The demand for territorial control of the sources of raw materials and foodstuffs has been reinforced by the application of Article 16 of the Covenant to Italy in the Abyssinian War. Those sanctions were not complete, but the knowledge that they can be applied, and could be applied on a more extended scale, gives strength to the self-sufficiency argument. It is sometimes argued that the possession of colonies rich in resources, though they might not be accessible in war-time under blockade conditions, would be valuable to an aggressor country against which certain limited forms of economic sanctions were applied under Article 16 of the Covenant of the League of Nations. This assumes that sanctions would stop short of complete blockade; but the opinion may perhaps be hazarded that the line drawn between economic and military sanctions might shift according to circumstances, and that blockade, i.e. the use of military measures designed to render economic pressure effective, is on the borderline. It is not safe to generalize from the limited nature of the sanctions applied to Italy on account of her attack on Abyssinia.

There is a certain confusion underlying the claims for security of access to raw materials under all circumstances. The usual argument for a policy of self-sufficiency, which has some foundation, is the absence of collective security and the consequent danger of war. But statesmen using this argument often reason at the same time that self-sufficiency is essential because of the danger of sanctions. Since sanctions are the weapon for ensuring collective security, the two reasons cannot logically be advanced at the same time.

#### iv. *Search for Substitutes to ensure Supplies*

The sense of insecurity leads to various policies reacting unfavourably on the producing countries, whether colonial or other. One of these is a growing tendency to look for substitutes available at home, even where a substitute is more costly and less satisfactory than the raw material it supplants.

Not only depression in the coal market, but fears of inability to protect trade routes in time of war, have led to proposals, even for so strong a naval Power as Great Britain, to install expensive plant for the extraction on a large scale of oil from coal.<sup>1</sup> During the World War necessity led to extensive production of nitrogen from air in Germany and elsewhere, to the permanent detriment of the Chilean industry. Germany has made great efforts to find substitutes for certain metals she lacks, such as copper,

<sup>1</sup> See the debate in the House of Commons on July 9th, 1936.

lead, tin, nickel and manganese. Manufacturers of electrical apparatus are required to use plated steel instead of copper whenever possible. Numerous devices have been adopted to make other metals and substitutes resistant to corrosion, so that they can be used for purposes for which copper has hitherto been regarded as indispensable. The consumption of copper in making brass is to be reduced by the use of stainless steel and other substitutes. Other efforts are directed to savings in lead and tin. Increasing reliance is being placed on light metals, especially aluminium, for various purposes. It is true that Germany is already a very large importer of bauxite and chrysolite, and that her aluminium is therefore largely dependent on foreign ores, but she secures an increasing part of these supplies from sources near at hand, from Hungary and Czechoslovakia.<sup>1</sup> Some 'woollen' goods are made from beechwood in Germany, from casein in Italy.

On the whole, substitution means, at all events for a considerable period to come, higher costs for materials often technically less satisfactory. The disadvantages are discounted by the prospect of greater security. 'It is certain', writes a correspondent of the *Manchester Guardian*,<sup>2</sup> 'that at least three-quarters of the German effort is aimed at mere independence, regardless of cost. Coal-oil is still more expensive than natural petroleum, synthetic rubber is several times more expensive than natural rubber, many of the alloys which may be used for copper are inferior in durability and working qualities.' The tendency for so many countries to search for substitutes within their own territorial jurisdiction must damage the trade of the raw material producing countries.

#### v. *Payment and Transfer Difficulties*

The really serious difficulty in obtaining commodities—that of payment in foreign currencies—in itself has nothing to do with the territorial possession of sources of raw materials, but is due to the general decline in international trade, and is intensified by exchange restrictions. Hence Germany and Italy, each of them industrialized States with formidable exchange restrictions, desire access to raw materials within the area of their own currencies. This desire is at bottom a demand for exclusive markets, so that producers of raw materials can be compelled to exchange their raw materials for imports from the metropolitan country, even though they would prefer to buy elsewhere.<sup>3</sup>

<sup>1</sup> See footnote (4) to p. 315 above.

<sup>2</sup> Weekly edition, April 3rd, 1936.

<sup>3</sup> A German writer in the *Berliner Tageblatt* of May 3rd, 1936, discussing the report, *Raw Materials and Colonies*, already cited, calculates the total exports of mandated territories in 1934 of certain materials and foodstuffs, and sets it out against the German import surplus in these commodities. He concludes that: 'This leads us to the conclusion that of whatever kind the raw material resources were, our balance of payments would be improved by the considerable sum of 156 million Rm. which would be produced on our own soil if the colonies were within the currency area of the Reich. If during recent years Germany had possessed these and other outlets befitting her organizing power her foreign exchange diffi-

The currency situation is itself conditioned by political and commercial policy and the present heavy expenditure on armaments. European industrial countries sell their products not mainly to countries producing raw materials but to other industrial countries, and it is the strangling of this essential multilateral trade which is the main cause of the difficulty in purchasing raw materials. France, for instance, buys large quantities of wool from Australia, but sends to Australia relatively small quantities of industrial goods. French export markets are largely in European countries where there is a demand for goods of a specialized type produced by French makers. France's purchases of wool in Australia are paid for perhaps by exports to Switzerland and Belgium. If exchange restrictions, quotas, tariffs, blocked accounts, special trade treaties, &c., canalize Franco-Australian trade bilaterally, so that the compensation afforded by multilateral trade cannot operate, the effect must be a falling off in purchases; and the same thing applies to all trade between industrialized countries and primary producing territories. The real question is not a colonial one, but one of the lowering of barriers against the movement of men and goods in general.<sup>1</sup>

Meanwhile the purchase difficulties of the countries not possessing raw materials persist, and are likely to be intensified by the recent sharp rise in prices of such materials; but although there has lately been talk of freer trade, trade barriers have not yet been noticeably reduced.

The effect of the various barriers to trade with colonial countries may be exaggerated. Germany has a large trade with the British Colonial Empire. In 1935 goods imported from Germany were valued at £5·6 millions (c.i.f.) and exports to Germany at £6·4 millions (f.o.b.). Germany's unfavourable balance of trade with British colonies was therefore small, and was probably smaller in 1936. The principal items in these figures were cocoa from Nigeria and Gold Coast and Trinidad (£1·4 millions); copper from Northern Rhodesia (£1·15 millions); palm-kernels from Nigeria and Sierra Leone (£0·9 million); rubber from Ceylon and Malaya (£0·75

culties would be far less serious to-day. She would be able to make better provision for her population and industry and to sell abroad not only manufactured goods but also raw materials.' The assumption—a very large one—is that the whole produce of these countries would be directed to Germany, i.e. monopoly of the market is assumed. The reviewer maintains that the essential pre-requisite for the solution of the raw material question is production within the German currency area. Neither the Open Door nor trade treaties would achieve that result.

<sup>1</sup> See *Remarks on the Present Phase, &c.*, Economic Committee, League of Nations, Geneva, 1935, p. 47, for the working out of other examples. In the discussions in the Second Committee of the Sixteenth Assembly of the League of Nations M. Asquini, representing the Italian Government, said the difficulties of countries over-populated and lacking raw materials continued to increase. They were prevented from paying for them in goods or services by insurmountable barriers, the result not merely of increased customs duties but also of imperial preference and obstacles to migration (Sept. 24th, 1935; Records, Special Supplement of the *Official Journal*, pp. 53-4).

million).<sup>1</sup> The Scandinavian countries and Czechoslovakia are not colonial Powers, but they can buy raw materials.

Apart from the particular circumstances of the present day, arising out of the various obstructive policies in international trade generally, it cannot be said that the absence of raw materials in the manufacturing countries has prevented the development of industry. The Lancashire cotton industry was built up on American cotton, and even with the development of cotton-growing in the British Empire, it is still largely dependent on American supplies. Italy, with no extensive forests to provide wood-pulp, has a high position in the artificial silk industry.

#### vi. *A Changing Situation*

There are other aspects of the raw material question. The nature of demand is constantly changing as the result of movements in prices. Building materials form a good example of such changes, brick, stone and mortar being replaced by cement, glass and steel. In the textile industries wood-pulp has reduced the demand for raw silk, cotton, wool and flax. The nature of demand is also affected by progress in technique and changes in taste; the great demand for materials for the electrical industry and the motor-car industry provides an example.

For generations proximity to coal-fields was assumed to give a most important advantage to manufacture of all kinds. With the development of electrically driven machinery the advantage tends to disappear. The changes in the sources of power during the present century amount to a revolution in the technique of manufacturing industry. Further advances in technical knowledge have made all sorts of economies possible, such as the increasing use of scrap iron, the increasing use of alloys and the economies in rubber manufactures. Moreover, the demand for enduring structures and for durable consumption goods is decreasing. New York is satisfied with buildings having a very short life. The life of machinery is shorter in view of constant changes in manufacturing technique, and consequently the raw material position is never static. If it were possible (which it is not) to parcel out the world into units each relatively self-supporting in raw materials, the balance could not be maintained indefinitely, probably not for a single generation, in view of the changing character of men's wants and the advancement of technology.

Moreover, new sources of supply are constantly being developed, and the present production of colonial countries does not necessarily indicate their potential production. Certain African territories are not yet large producers of valuable raw materials, but in very few African countries has there been any effective geological survey to indicate potential capacity; therefore, in spite of the present relative unimportance of the colonial supply of raw materials, interest in colonial production will remain very great.

<sup>1</sup> See the statement in the House of Lords by the Under-Secretary of State for Foreign Affairs, Feb. 17th, 1937.

## CHAPTER XVII

### PUBLIC FINANCE

Varying conditions—expenditure by metropolitan Powers at the centre—Great Britain, Netherlands, Portugal, Italy, France—Budget methods in the colonies—sources of colonial revenue—incidence of customs duty on white and native communities—debt charges—general expenditure.

THE methods by which colonial empires are financed, both in the metropolitan country and in the colonies themselves, vary according to the financial methods and economic systems of the metropolitan country, and according to the wealth or poverty of the colonies. Where a policy of assimilation is followed, colonial budgets are closely controlled from the centre; where devolution is practised, there is a greater diversity in the methods of raising revenue and allocating expenditure. Even within the same empires there are differences arising out of local conditions. Countries poor in population and in natural resources require substantial assistance from the metropolitan country; others can meet their budgetary requirements locally, and may even make contributions to the metropolitan exchequer for defence or special purposes. Neighbouring territories under the same Power may be financed on completely different systems, as, for example, Palestine and Transjordan. Palestine has a surplus, but in Transjordan the heavy costs of defence and even the British Resident's salary are met by the mandatory Power. Rich territories may raise a major share of revenue requirements from import duties, but in poor countries which buy little a poll tax may be unavoidable. Again, the metropolitan Power may not push forward development and social services, and therefore be content with a minimum expenditure. The Portuguese act on this principle, maintaining that colonies must be content with such services as they can afford to pay for out of their own resources. Italy's policy of the rapid creation of a productive colonial empire out of poor territories necessitates large subsidies from the metropolitan exchequer.

It is therefore difficult to generalize on colonial budget methods; they vary just as they vary in sovereign States according to the local economic position and external commitments. But, however slight the control of the metropolitan Power, all colonial finance is characterized by its subordination to the metropolitan treasury. The central government is responsible, and may interfere even if it refrains from continuous detailed control. Some control is inevitably maintained over the finance of colonies, a large part of whose debt is normally held in the metropolitan country and sometimes guaranteed by its Government. If the local colonial authority gets into financial difficulty, assistance will be sought from, or imposed by, the centre, before there is default on interest payments.<sup>1</sup>

<sup>1</sup> Even when there is no formal 'colonial' relationship, this contention holds good, for example between the United States and Liberia, Cuba and some Caribbean countries.

Moreover, the financial and commercial policy of the metropolitan Power reacts upon the colony. That policy is mainly determined by the interests of the metropolitan Power, and may or may not be the best suited to local interests in the colony. Colonial currencies are often identical with national currencies and are usually linked with them. Even where the currency is local, it is usually controlled by the national currency authorities or by a special body (such as the East African Currency Board), working in collaboration with them. Maintenance of high values in Netherlands India and Indo-China currency made the position in both countries, trading as they do with Eastern countries, very difficult, and the situation could not be eased until the franc and the guilder underwent devaluation in Paris and The Hague. General financial policy is influenced by the close connexion between the colonial central bank (where one exists) on which the colonial Government has to depend for day to day advances, and the financial centres of the Empire, where the bank usually has an office working in collaboration with the imperial central bank. Consequently, however great the degree of political autonomy, financial policy is not entirely determined locally.

#### *i. Colonial Expenditure of Metropolitan Powers*

There are, of course, expenses connected with the central administration of colonial territories which accrue in the home country, just as there are expenses to be borne in connexion with the relations with foreign countries. Every colonial Power has to maintain a central ministry of colonies, or colonial office, in which the whole business of colonial administration may be centred, or only that of those territories which are strictly 'colonies'. Whether responsibility lies with one office, or is divided among State departments, as in France, the United States, and to some extent in Great Britain, the expenses of administration at the centre have to be met, and are usually borne in their entirety by the metropolitan Power, though small contributions from the colonies may be made for special services.

Some of the accounts given below of metropolitan expenditure on colonial account are more comprehensive than others. For the United Kingdom no account is taken of administrative expenditure on the Sudan through the Foreign Office, or on Southern Rhodesia, Newfoundland and the High Commission Territories, administered from the Dominions Office (since the relevant expenditure cannot be separated out), except that loans and grants-in-aid and loans from the Colonial Development Fund are shown. For France the very important part of the French Empire in north Africa is excluded, since Algeria is administered by the Ministry of the Interior, Morocco and Tunis by the Ministry of Foreign Affairs. For Italy expenses incurred in the Abyssinian campaign are not shown.

In some budgets colonial military expenditure is separately shown, but not in others. In no budget do the sums earmarked for this purpose account for the whole burden, since general colonial defence is an inseparable part

of national defence and its cost appears in the allocations for the ministries of war, &c.<sup>1</sup> For the upkeep of naval stations along her trade routes, Great Britain spends large sums, which are almost wholly defrayed by the British Treasury, but it is impossible to say what part of this expenditure is incurred on colonial account and what on account of the defence of general trade and other interests outside the Empire. It is therefore virtually impossible to separate out British expenditure on colonial defence; and the lack of information, in this country, as compared with France,<sup>2</sup> merely indicates that the problem is viewed differently.

For these and other reasons given it is difficult to prepare, for any one year, a consolidated statement of the British Exchequer's expenditure on the colonies, apart from the Colonial Office and colonial services vote (ignoring the Foreign Office and Dominions Office votes) and the sums provided from the Colonial Development Fund. The colonial expenditure controlled by the Secretary of State for the Colonies comes under Class II, Vote 8 being the expenses of the Colonial Office proper, and Vote 9 being the expenses of colonial services overseas. Under Vote 9 comes the voting of grants and loans-in-aid of the finances and the service of colonies. The Colonial Development Fund, founded in 1929-30, makes grants-in-aid and loans for special purposes. Further, certain sums appear in the Army Estimates of expenditure on colonial account, against which there are contributions made by certain colonies in which garrisons are

<sup>1</sup> Hence the basis on which Mr. Grover Clark, in his *Balance Sheets of Imperialism*, showed that colonies cost the metropolitan country more than they were worth, would appear to be unsound. Mr. Grover Clark suggested that the cost of colonial defence could be separated by taking the same proportion of the total expenditure of a colonial Power on armaments as the colonial trade bore to total foreign and colonial trade. But such an hypothesis neglects home defence of the metropolitan country, and the fact that the overseas trade of such countries as Great Britain or Japan must be protected, whether it is in part with colonies, or wholly with foreign countries. Similar arguments may be found in Bertrand Russell, *Which Way to Peace?* (London, 1936).

<sup>2</sup> Southworth (*The French Colonial Venture*, p. 42) made a calculation of the amounts which were spent by France in each budget from 1871 to 1931-2 on the civil and military establishment of the colonies (including North Africa) by an analysis of the accounts of each French ministry. Interesting as this computation is, it cannot be held, for the reasons given above, to indicate in the accounting sense of the term the cost to France of the French overseas territories. Southworth, counting in the expenditure on colonial wars, came to the conclusion that the annual total expenditure of the French Government on the colonies over and above receipts from the colonies, was as follows:

Average 1871-80	.	.	.	.	100,000,000 francs
„ 1885	.	.	.	.	238,000,000 „
„ 1890-1910	.	.	.	.	200,000,000 „
„ 1914	.	.	.	.	637,000,000 „
„ 1915	.	.	.	.	591,000,000 „
„ 1921	.	.	.	.	976,000,000 „
„ 1925	.	.	.	.	821,000,000 „
„ 1931-2	.	.	.	.	2,403,000,000 „



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situated, but since these garrisons are maintained for the defence of trade routes and other purposes it cannot be said that the expenditure is strictly colonial.<sup>1</sup>

TABLE XXIII

*United Kingdom: Expenditure on Colonial Account for Year ending March 31st, 1935*

	£	£
Colonial Office, Salaries and Expenses. Class II, Vote 8 . . . . .	149,880	
Receipts payable to Exchequer . . . . .	352	
	<hr/>	149,528
Colonial and Middle Eastern Services. Total Expended.		
Class II, Vote 9 . . . . .	656,901	
Receipts payable to Exchequer . . . . .	50,720	
	<hr/>	606,181
Grant-in-aid of Colonial Development Fund for year ended March 31st, 1935 . . . . .		500,000

Source: *Civil Appropriation Accounts*, H.C. 11. 1936.

These figures include, in the Colonial and Middle Eastern Services, a considerable sum partly recoverable for defence. The Colonial Estimates (Class II, Vote 8) for 1935-6 and 1936-7 were £160,648 and £167,959 respectively, and Colonial and Middle Eastern Services (Vote 9) 1936-7 totalled £773,293 (*Civil Estimates*, H.C. 54-II, 1936), and a supplementary estimate on Vote 9 in 1937 provided mainly for military expenditure on Palestine, much of it recoverable.

An estimate of expenditure for colonial territories over a period of some years perhaps gives a truer picture of the position. The following attempt at a consolidated statement of the net expenditure on Colonial Account.

TABLE XXIV

*United Kingdom: Total Net Disbursements of the British Exchequer on Colonial Account, in the Ten Years 1925-6 to 1934-5*

<b>A. Class II, Vote 8:</b>	£	£
Sum expended on Colonial Office . . . . .	1,482,535	
Less Receipts payable to Exchequer . . . . .	4,072	
Net Expenditure . . . . .	<hr/>	1,478,463
<b>B. Class II, Vote 9:</b>		
Sum expended on Colonial Services including Middle Eastern Services . . . . .	21,405,619	
Less Receipts payable to Exchequer . . . . .	6,794,713	
Net Expenditure . . . . .	<hr/>	14,610,906
Carried forward	£16,089,369	

<sup>1</sup> See *Army Estimates*, 1935, pp. 288-9, and for colonial contributions, p. 55. These figures show a total expenditure 'in the colonies' of £7,255,400, but this figure includes £3,388,000 for Egypt, the Sudan and China (which includes of course Hong Kong, but probably also other items). Colonial contributions amounted to £1,083,500, so that the net cost of colonial garrisons was small.

	Brought forward	£16,089,369
(A + B) Net Expenditure Colonial Services, of which Mentioned specifically as loans	16,089,369	
Cost of Palestine, Transjordan and Iraq Military Expenditure	376,000	
Expenditure on Cultural and Scientific purposes (B1 B7 of Vote 9)	15,067,554	
	118,308	
C. <sup>a</sup> East African Guaranteed Loans Allocations 1926-9	6,680,020	
D. Colonial Development Fund Total Assistance Approved Sept., 1929—March 1935.	4,830,333	
Less Receipts payable to Exchequer	17,778	
Net Assistance		4,812,555
NET TOTAL EXPENDITURE A + B + D		£20,901,924

<sup>a</sup> In respect of C there is only a contingent liability under the Government Guarantee for the service of the loans.

Source: Memorandum prepared for this study by Mr. P. D. J. Druiff, based on the Appropriation Accounts (various years).

The above figures include, for the colonial and Middle Eastern services, considerable sums for defence, part of which is recoverable, and, under the heading of Colonial Development Fund grants-in-aid and sums issued as loans. These loans are shown below:

TABLE XXV

*United Kingdom: Loans granted to Colonies on Treasury Account, 1925-6 to 1934-5*

	£
Colonial and Middle Eastern Services	376,000
Colonial Development Fund: total loans allocated	2,016,271
	<u>£2,382,271</u>

Moneys disbursed under the Colonial Development Fund as loans cannot be spoken of strictly as expenditure, as both principal and interest may be repaid. The total principal of the funds is, however, a charge on the Exchequer.<sup>1</sup> It is not possible accurately to apportion expenses as between grants-in-aid and loans, since a loan is occasionally converted later into a grant without any notice of this appearing in the services vote. Moreover, grants-in-aid sometimes are made with the specification that some part (to be later determined) shall be repayable. For each colony in any one year the contribution received by way of loans and grants appear in the local budget. In addition there is a contingent liability on the British Exchequer for the services of loans issued under the East African Guaranteed Loans Fund up to 1929, when these loans totalled £6,680,000. In fact

<sup>1</sup> See Colonial Development Act, 1929, section i, para. 8.

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the only occasion on which the liability became effective was in 1933-4, when £26,000 was advanced to Nyasaland for the setting up of a sinking fund on one of its loans. The total expenditure by the Colonial Development Fund from 1929 to 1935 is seen in Table XXIV.

Finally, special loans are made from time to time to colonies in particular need, quite apart from moneys disbursed through the Colonial Development Fund. For instance, in 1931, a Bill was introduced into Parliament to authorize the Treasury to guarantee the principal and interest of a loan of £750,000 to be raised by the Government of Mauritius for the repair and replacement of Government and other property damaged in a hurricane.<sup>1</sup>

The total assistance approved to March 1935 from the Colonial Development Fund was £2,016,271 in loans and £2,814,062 in grants, but Newfoundland is included in this total.<sup>2</sup> If Newfoundland is excluded the largest recipients of aid were Nyasaland, which received total assistance loans and grants to the extent of £676,949, Tanganyika (£412,050) and Sierra Leone (£535,000). Other colonies which received grants of £100,000 or over were Northern Rhodesia, Nigeria, Palestine, North Borneo and Trinidad. Colonies which received £100,000 or over in loans were Kenya, Northern Rhodesia and British Guiana.

*Netherlands.* The metropolitan colonial expenses are grouped together in a special section of the budget.

TABLE XXVI

#### *Netherlands Government Expenditure on the Colonies: Estimates for 1936*

						<i>Guilders</i>
Ordinary Expenditure:						
Home Department	.	.	.	.	.	957,391
Surinam	.	.	.	.	.	3,624,326
Curaçao	.	.	.	.	.	383,860
Pensions, &c.	.	.	.	.	.	143,000
Other expenditure	.	.	.	.	.	12,042,360
						<hr/>
Capital Expenditure						17,150,937
						nil
						<hr/>
						Total 17,150,937

Source: Chapter XIII of the Netherlands Budget for 1936. See *Y.B.C.C.D.*, 1935, vol. i, pt. i, pp. 242-3.

The greater part of the sums allocated to the colony of Surinam is a direct subsidy to the budget, the balance being on account of personnel, public works and subsidies to banana and coffee cultivation. 'Other expenditure' consists mainly of a subsidy to Netherlands India of 12,000,000 guilders

<sup>1</sup> Cmd. 3869 of 1931, Mauritius Loan; *Memorandum explaining Financial Resolution*.

<sup>2</sup> See Newfoundland Royal Commission, 1933, *Report*, especially para. 634; *Papers relating to the Report of the Newfoundland Royal Commission*, Cmd. 4479 of 1933; and *Report by the Commission of Government on the Economic Situation*, Dec. 1934, Cmd. 4788.

for maritime expenses, ports and naval defence.<sup>1</sup> This grant has been made since 1935 only; the Netherlands budget for 1934, which makes similar provision for Surinam and Curaçao, totalled only 4,714,418 guilders. Assistance to Netherlands India from the home country has been negligible until recent years. The budget of the Ministry of Colonies, however, does not show the subsidy of 25,000,000 guilders accorded to Netherlands India by the Netherlands Government to ease the difficulties of deflation, which were more serious for an exporting colony than for the home country. This subsidy, which was an emergency measure, was to be divided over the years 1937-9. The position has been eased by the devaluation of the guilder.

*Belgium.* Belgium also had to expand considerably her colonial budget during the years of depression. Normally certain central services for research and other purposes are financed partly out of Congo funds, but in recent years the colonial contributions were paid, and in addition subsidies were necessary for the maintenance of social and other services in the colony, and for balancing the Congo and Ruanda-Urundi budgets. The total colonial estimates in 1935 totalled 183,756,312 frs., of which some 173 millions were extraordinary expenditure to subsidize the Congo and Ruanda-Urundi.

*Portugal.* It does not appear that the home Government accords subventions to individual colonial budgets; some colonies are heavily indebted to Portugal, and some of them to Mozambique, a creditor country. In contrast to other colonial Powers Portugal forced her colonies to balance their budgets during the depression by means of stringent economies and some increase of outstanding indebtedness. In addition, the Agence générale des colonies, with a budget of 1,622,300 escudos in 1935, is entirely supported by contributions from the colonies. The budget for the Ministry of the Colonies for the year 1936 totalled 30.4 million escudos.<sup>2</sup>

*Italy.* The contrast between Portuguese and Italian colonial finance is complete. The difference is partly explicable by the fact that Italian colonies are poor and in an early stage of development. They subsist largely on annual subsidies from the Ministry of the Colonies, which has the largest estimates of any colonial ministry, amounting in 1935-6 to 486.9 million lire (approximately £5½ million gold), including no less than 387 million lire in subsidies to enable the colonies to balance their budgets.<sup>3</sup> The subsidies were allotted as follows: Tripoli 146.6, Cyrenaica 145.2, Eritrea 42.3, Somaliland 47.2, balance for various objects 5.7 million lire.<sup>4</sup>

<sup>1</sup> Up till 1934 Netherlands India paid all naval expenses in India and half of the building costs of the ships used there—the main part of the Netherlands fleet. This subsidy was granted because Netherlands India felt that the Netherlands Government was not taking its proper share in the cost of naval defence.

<sup>2</sup> For the details see *Y.B.C.C.D.*, 1935, vol. i, pt. ii, p. 921. For the division of expenditure between Portugal and the colonies see *Y.B.C.C.D.*, 1934, vol. i, p. 27.

<sup>3</sup> For details of the estimates see *Y.B.C.C.D.*, 1935, vol. i, pt. ii, pp. 552-3.

<sup>4</sup> *Ibid.*, p. 535.

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*France.*<sup>1</sup> The system of French colonial finance is based upon the law of April 13th, 1900, of which Paragraph i, Article 30, reads: 'All the civil expenditures and those of the gendarmerie are supported in principle by the budgets of the colonies. Subventions may be accorded the colonies in the budget of the State. Contingents may be imposed on each colony equal to the military expenditures there effected.' The position is, therefore, that there is a central budget for the colonies, which is part of the metropolitan budget under the Ministry of Colonies (3<sup>e</sup> partie—Services généraux des ministères). This budget provides for civil and military expenditure in the colonies proper (i.e. excluding Algeria, Tunis and Morocco, which are administered from the Foreign Office), to which small contributions from the colonies may be required. These moneys are expended both in France and in the individual colonies.

TABLE XXVII

*Ministry of Colonies: Ordinary Expenditure by Main Heads*  
(fr. '000)

<i>Heads of expenditure</i>	<i>1933</i>	<i>1934</i>	<i>1935 est.</i>	<i>1936 est.</i>
Civil expenditure .	110,487	187,062	189,695	150,937
Military expenditure .	657,906	643,601	612,678	575,269
Penitentiary .	30,221	28,541	27,632	26,209
Adjustments .	..	..	..	..
Total . . .	798,614	859,204	830,005	752,415 <sup>a</sup>

<sup>a</sup> The net total, after certain deductions, is 705,513,822 frs.

Source: *Y.B.C.C.D.*, 1933, 1934, 1935, vol. ii.

French colonies make certain small contributions to the home Government for the expenses of civil and military administration; these have been scaled down in recent years from a total of about 80 million francs in 1933 to 53½ million francs in 1936.<sup>2</sup> The French Budget estimates for 1936 include subventions to the French Establishments in Oceania, the Wallis Island Protectorate, New Hebrides, Guiana, and subventions for the debt services of French Equatorial Africa and Guiana. In a period of 15 years French Equatorial Africa received 375 million francs from the State, of which 110 millions was for deficits and for social services, the rest for meeting debt charges. In the report on the 1936 estimates<sup>3</sup> M. Paul Reynaud said that France had taken over the debt-services of French Equatorial Africa and French Guiana until the economic situation of the colonies had improved.

In 1931 the proposals advocated by M. Albert Sarraut for large loans

<sup>1</sup> For the French system generally see S. H. Roberts, *History of French Colonial Policy 1870-1925* (2 vols., London, 1929), and Southworth, *The French Colonial Venture* (1931).

<sup>2</sup> For details in the estimates for 1936 see *Y.B.C.C.D.*, vol. ii, pp. 52-3.

<sup>3</sup> Chamber of Deputies, session of June 28th, 1935.

for colonial development<sup>1</sup> were acted upon (after a number of other proposals and experiments on a small scale) by the introduction of a law providing for large funds to be put at the disposal of the various colonies for development purposes. In the report<sup>2</sup> submitted by Senator Lancien on behalf of the finance commission to the Chamber of Deputies, relating to the colonial estimates for the year 1935, the following figures were quoted for the outstanding indebtedness of the various colonies and the authorized loans:

TABLE XXVIII  
*French Colonial Loans authorized and issued since 1931*  
(fr. '000,000)

<i>Colony</i>	<i>Total of authorized loans</i>	<i>Loans issued</i>	<i>Average annual flotation 1931-4</i>	<i>Authorized but not issued</i>	<i>Date at which issue will be completed</i>
Indo-China .	1,370	950	237.5	420	Dec. 1936
Fr. W. Africa .	1,690	450	112.5	1,240	" 1943
Fr. Eq. Africa	1,513	924	224.7	171	" 1935
Madagascar .	735	444	111.0	291	" 1936
Martinique .	150	38	9.5	87	" 1943
Guadeloupe .	125	40	10.0	110	" 1945
New Caledonia	95	38.1	9.5	57	" 1940
Guiana .	21	8	2.2	12.3	" 1940
Réunion .	63	22	5.5	41	" 1941
Cameroons .	57	30.6	7.6	26.4	" 1938
Togo .	73	73	18.3	completed	" 1935
Somaliland .	44	..	..	44	..
Oceania .	15	..	..	15	..
Total .	5,951	3,018	748	2,514	" 1937

A halt had to be called in the last three years to the emission of the loans authorized, since the state of colonial budgets did not allow large new obligations to be incurred.

## ii. *Budget Methods*

In most British colonies accounts are presented in a consolidated form; in the colonies of most foreign Powers there is an ordinary and an extraordinary budget. In general, the extraordinary budget is devoted to expenditures made out of receipts on account of loans or subventions, although sometimes receipts of a recurrent nature are included. The relative size of these two budgets varies. In Belgian Congo the extraordinary budget may be a third or half as large as the ordinary budget, while in Mozambique, Angola and Indo-China the extraordinary budget is extremely small. In theory the two budgets are balanced quite separately.

<sup>1</sup> A. Sarraut, *La Mise-en-valeur des colonies françaises* (Paris, 1923).

<sup>2</sup> *Y.B.O.C.D.*, 1934, vol. ii, p. 49.

In practice, however, the existence of the two budgets makes possible a greater flexibility in dealing with deficits. In colonies where there is only one budget, the deficit automatically appears at the end of the budgetary year, and has to be made good out of reserve funds or advances by the Treasury which must be reimbursed in the following year. Where there is an extraordinary budget, it may be possible to postpone expenditure of an exceptional nature, and devote the special receipts to the reduction of the deficit, but the extent to which this is done will not appear. Moreover, all French colonies have a *caisse de la réserve*, which is a special reserve fund available for current purposes; if a specially desirable work is undertaken in the ordinary budget the cost may be defrayed either in whole or in part by *prélèvements sur la caisse de la réserve*. As this item appears in both easy and stringent financial times, whether the *caisse de la réserve* is being called on for normal contributions or to liquidate or ameliorate a threatened deficit, the state of the Reserve itself, where published, may be some indication of the true state of the colony's finances. In Indo-China, for instance, a heavy deficit on the ordinary service, of 13,300,000 fr., in the year 1931, was covered by a *prélèvement sur la caisse de la réserve* of 2 millions, and *prélèvements sur fonds d'emprunt* of 11 millions, on the ground that works of a new nature had previously been undertaken at the expense of the ordinary budget, which should therefore be reimbursed out of the special loans. It should therefore be urged that all matters be taken into consideration in comparing the budgets of colonies, not only the actual 'deficit' as shown to British finance, but also the special operations referred to above, the progress of the public debt service, and the general economic conditions in the colony.

A further difference of practice is the distinction between local and federal budgets and a centralized budget. There is a federal budget for the British colony of the Leeward Islands and for the Federated Malay States. A number of French colonies are of such great extent and local conditions are so varied, that a federal system of finance has been adopted, notably in French West Africa,<sup>1</sup> French East Africa, and Indo-China. This constitutes a genuine decentralization of finance; the local budgets are in no sense to be considered as municipal. The total of revenue and expenditure of the local budgets is often almost as great as that of the central budget. In French Equatorial Africa for 1934 the central budget was 170,346 million francs, while the total expenditures of the four separate provinces—Gabon, Moyen Congo, Oubanghi-Chari and Tchad—was 68,534 million francs.

For Indo-China in 1935 the central budget was balanced at 55,916,210 piastres, while the local budgets for Cochin-China, Tonkin, Annam, Cam-

<sup>1</sup> Since 1934, however, local budgets in French West Africa have been abolished and the Finances of the Federation have been centralized. Similar procedure is contemplated for French Equatorial Africa. For federal finances in French colonies see A. Touzet, *Fédération Financière et Finances Indochinoises* (Paris, 1935).

bodia and Laos totalled 40,080,428 piastres. The central budget receives the proceeds of indirect taxation and meets general administration and debt charges; the local budgets are financed by direct taxation, with which local administration is financed. The debt charge for the colony falls almost wholly on the central budget. Thus the central budget gives the impression that the proportion of revenue allocated to the service on the debt is higher than it is in reality, and the other items of expenditure proportionately lower.

In the form of accounts adopted by most of the British colonies, a separate budget for the self-balancing departments is presented—i.e. for those State enterprises that raise their own revenue, railways, post offices and so on. In colonies where indirect rule prevails the treasuries of self-governing native areas handle considerable sums. In British Cameroons, for example, there are seven native treasuries, the revenues of which totalled in 1933–4 a sum of £39,402, and the expenditures £36,521. The revenue is mainly derived from direct native taxes (hut- or poll-taxes) and the cattle-tax. The expenditure is devoted to the native administration and judiciary and to native social and economic development.<sup>1</sup>

Various considerations on colonial financial systems were advanced in a Report on the General Situation of Colonial Finance issued by the Portuguese Government in 1933.<sup>2</sup> The principles there laid down have a general application, but apply more especially to African colonies.

‘The general fiscal systems of the colonies, which are still in a very primitive stage, do not admit all the flexibility characteristic of the more complex and adaptable fiscal organization of European countries. In the colonies, native taxes and duties on the import and export of merchandise are the vital points of the budgets. These points being affected by the crisis, the mere increase of taxes is of small service in increasing the revenue. Accordingly, the necessity for heavy economies emerges as the only definitive solution.’

The items of revenue in colonial budgets may now be taken in turn; it is unnecessary to point how sensitive they are to general economic conditions in the colony.

### iii. *Sources of Colonial Revenue*

Whatever the tariff régime in force, whether ‘Open Door’, ‘preferential’ or ‘assimilated’, the greater part of the revenue is inevitably provided by Customs and Excise, the easiest and cheapest means of raising taxes in colonial areas. A high incidence of indirect taxation is less likely to cause discontent than high direct taxation, while at the same time the yield can be increased or lessened according to the necessities of the moment without

<sup>1</sup> A full and recent analysis of the public finance of each of the British colonies and mandates (excluding dependencies of the British Dominions) will be found in *An Economic Survey of the Colonial Empire* (1935), H.M.S.O., Col. no. 126, 1937, just published as this volume is going to press.

<sup>2</sup> *Diário do Governo*, June 30th, 1933, reprinted in *Y.B.O.C.D.*, 1933, vol. i, pt. ii, pp. 14 et seq.



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focusing too much popular attention on the consequences of such adjustments to the consumer.

In British colonies the percentage of total revenue raised in this way is usually above 50 and in many cases above 60 and 70. British Asiatic colonies tend to raise a greater proportion of their revenue from customs than the African, and in particular the east African colonies, where the figure is nearer 30 per cent.

TABLE XXIX

*Percentage contributed by Customs to Revenues of Certain Colonies in 1934, or 1935*

<i>Territory</i>	<i>Per cent.</i>	<i>Territory</i>	<i>Per cent.</i>	<i>Territory</i>	<i>Per cent.</i>
Brit. Guiana .	77.4	Eritrea . .	56.0	Tunis . .	30.4
Gold Coast .	72.6	Ceylon . .	55.4	Angola . .	29.5
Morocco .	70.3	Cyrenaica .	47.5	Tanganyika .	29.2
Brit. Somaliland	68.4	Algeria . .	46.3	Surinam . .	29.0
Fr. W. Africa <sup>a</sup> .	67.5	Tripoli . .	46.1	Belgian Congo	27.4
Indo-China <sup>a</sup> .	67.5	Federated Malay		Timor . .	25.9
Gambia . .	65.8	States . .	44.8	Uganda . .	25.4
Jamaica . .	60.3	Basutoland .	42.8	Madagascar .	25.3
Trinidad and To-		Neth. India .	40.7	Johore . .	25.2
bago . .	58.4	Bechuanaland	35.6	Ruanda-Urundi	21.2
Fiji . .	55.5	Curaçao . .	34.0	Mozambique .	17.2
Palestine . .	49.5	Kenya . .	32.2	Fr. Eq. Africa <sup>a</sup>	16.6
Nigeria . .	50.7	Straits Settlements	32.0	Macao . .	1.5

<sup>a</sup> Central Budget only.

The relative incidence of customs and excise charges on the native and on the European community, or on the consumer and on the importer of producers' goods is not easy to assess. It may be assumed that certain classes of goods are consumed almost exclusively by Europeans, and others almost exclusively by natives, but there will be exceptions to the rule. The division into capital goods and consumers' goods is easier, although there is still some margin of error. The following estimates of the incidence on the different communities are given for Kenya in 1926 and 1931 in the Moyne Report:<sup>1</sup>

TABLE XXX

*Kenya: Customs Revenue—amount (in £) Contributed by Different Sections of the Community*

<i>Year</i>	<i>Euro-peans</i>	<i>Per cent.</i>	<i>Asiatics</i>	<i>Per cent.</i>	<i>Natives</i>	<i>Per cent.</i>	<i>Total</i>	<i>Per cent.</i>
1926	383,400	52.0	195,400	26.5	158,500	21.5	737,300	100
1931	298,600	43.0	198,800	28.5	198,800	28.5	696,200	100

<sup>1</sup> *Certain Questions in Kenya*, report by the Financial Commissioner (Lord Moyne), Cmd. 4093 of 1932. Appendix II, p. 102. It must be remembered that these figures do not take account of the secondary incidence, if any, of the taxes.

The figures for 1931 may be analysed as follows:<sup>1</sup>

TABLE XXXI  
*Kenya: Percentage Incidence of Customs Duty in 1931*

<i>Class of Goods</i>	<i>Europeans</i>	<i>Indians</i>	<i>Goans</i>	<i>Arabs</i>	<i>Natives</i>	<i>Total</i>
Food, drink, and tobacco . . .	49.2	15.6	9.5	2.1	23.6	100.0
Goods mainly or wholly unmanufactured . . .	46.4	32.4	8.4	3.1	9.7	100.0
Goods mainly manufactured . . .	36.0	22.6	3.9	2.6	34.9	100.0
Parcel post . . .	55.0	24.3	4.9	3.6	12.2	100.0

Thus the natives contributed in duty less than one-quarter of the total collected on foodstuffs and rather over a third on that collected on manufactures. As might be expected, the Europeans and Indians paid most of the duty on raw materials.

Direct taxation tends to be more important in more primitive countries, where a poll-tax or hut-tax is the only simple way of securing any substantial contribution. These taxes are general over large areas of tropical Africa, though older communities, like the Gold Coast, are able to dispense with them. Certain Pacific colonies also levy poll-taxes or their equivalent. In 'colonies of settlement' controversy arises on the fairness of the relative tax assessment on the two communities; it is not, for instance, easy to decide exactly in what proportion the various services—especially such services as railways, roads, veterinary, &c.—benefit each community. The individual European contributes more than the native. It is the revenue from the native which is the greater and more elastic financial support, owing to its wider incidence. In African colonies, income-tax paid by Europeans is largely (as in Tanganyika) derived from agricultural settlers, but in many colonies (such as Northern Rhodesia, Belgian Congo) principally from mining and commercial companies. The Report of the Finance Committee of the Kenya Legislative Council, on the revenue prospects for 1937, accepted the imposition of a light income-tax on the white population, similar to that levied in Northern Rhodesia, but brought down the total sum to be so raised from the £83,000 originally proposed to £43,000. The age of liability for native poll-tax was raised from 16 to 18, thus affording considerable relief, and other mitigations of native taxation were proposed. In Belgian Congo, owing to the taxes levied on mining enterprise, the contributions to direct taxation of the two communities are nearly equal.

Some colonies levy native taxes without imposing any direct tax on the European community; for example, Sierra Leone, which obtains 13 per cent. of its revenue in this way, and British Cameroons (28.5 per cent.). British Somaliland, in common with French West Africa, makes no racial

<sup>1</sup> Ibid., p. 80.

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distinction and levies a single income-tax payable by all inhabitants liable to assessment. A number of Eastern colonial countries raise a considerable proportion of their revenue by an income-tax—notably Ceylon (10 per cent.), and Netherlands India (23·2 per cent.). But for the most part Eastern countries rely almost wholly on the revenue derived from customs, excise and—where they exist—such State monopolies as opium and tobacco. West Indian and South American colonies also rely mainly on indirect taxation.

TABLE XXXII

*Percentage of the Revenue in Certain Colonies derived from Native Taxes, 1935 or 1936*

<i>Territory</i>	<i>Native Taxes</i>	<i>Territory</i>	<i>Native Taxes</i>
Northern Rhodesia . . .	16·2	Swaziland . . .	28·0
Tanganyika . . .	35·8	Belgian Congo . . .	22·6
Nyasaland . . .	34·2	Ruanda-Urundi . . .	38·5
Uganda . . .	33·5	Angola . . .	23·9
Bechuanaland . . .	10·8	Mozambique . . .	23·2
Basutoland . . .	43·0	French Equatorial Africa . .	32·0

An important item of revenue in those colonies where mining is undertaken on a large scale may be derived from royalties and other charges. It is natural that to the treasury—if not to all government departments—the advent of the prospector is welcome. In the mandated territory of New Guinea the public finances were put on a new footing by the commencement of a gold-mining industry, while the Federated Malay States owe their early development to tin-mining and now derive even larger revenues from royalties on rubber plantations.

*Expenditure.* The corollary of the poverty of most colonial territories is that much of the expenditure is on objects which yield increasing returns. No doubt the French colonial *mise-en-valeur* policy is based on an appreciation of this. The most important heads of expenditure fall under administration, debt services, economic development, and social services. In some colonies debt service plays a very large part. Since external defence is in the main an imperial responsibility, defence charges are generally low, not much more than 3 to 4 per cent. In many British colonies they are under 1 per cent. of total expenditure.

The largest part of expenditure is usually upon administration, if we include under that term the judiciary, the collection of revenue, and other political expenses. An efficient administration for the maintenance of law and order is the first requirement, and over wide and undeveloped areas administration must be relatively more costly than in more advanced countries, and the cost is further enhanced by the necessity of employing some European personnel, which makes for heavy pension lists. Extended and cheaper administration in colonial territories in the future probably requires an increased participation of the indigenous population in the government.

The conditions in which public indebtedness is incurred have been discussed. We are here concerned with the charges which such indebtedness lays on public finance. Unless expenditure out of loan is directed so that it will increase production and revenue the debt charge incurred is a dead weight on the community. The effect of loan expenditure is by no means always easy to foresee. The revenue from State works may decline as the result of changes in the economic situation, and the service on debt may become proportionately heavier. The more obvious example is the increase in the weight of public debt in bad times when the value of colonial goods declines heavily, receipts of all kinds fall off and a deficit occurs. Where there are no reserve funds the deficit has commonly to be met by public borrowing. The difficulty is that such a course permanently burdens a poor community with an increased debt service which hinders recovery.

The following table shows the percentage of total expenditure which was spent on debt service in a number of colonies, in recent years.

TABLE XXXIII

*Percentage of Total Expenditure in Various Colonial Areas devoted to the Service of Public Debt, on the Basis of the Budget Estimates or Results for 1934-5<sup>a</sup>*

<i>Territory</i>	<i>Per cent.</i>	<i>Territory</i>	<i>Per cent.</i>	<i>Territory</i>	<i>Per cent.</i>
<i>British:</i>		Cyprus . .	3.5	Madagascar .	18.1
Kenya . .	9.2	Palestine . .	4.5	Martinique .	5.3
Uganda . .	8.3	Bahamas . .	6.4	Guadeloupe .	11.4
Tanganyika .	6.2	Barbados . .	3.9	Réunion . .	5.4
N. Rhodesia .	12.8	Bermuda . .	3.3	<i>Belgian:</i>	
Nyasaland .	15.2	British Guiana .	26.6	Congo . .	44.3
Swaziland . .	3.3	British Honduras	23.1	Ruanda-Urundi	23.4
Gambia . .	1.2	Jamaica . .	5.1	<i>Netherlands:</i>	
Gold Coast .	4.3	Trinidad and		Netherlands In-	
Nigeria . .	16.7	Tobago . .	10.7	dia . .	18.8
Sierra Leone .	7.6	Grenada . .	11.0	<i>Portuguese:</i>	
Ceylon . .	13.4	St. Lucia . .	14.4	Mozambique .	1.8
Hong Kong .	4.6	St. Vincent .	5.8	Angola . .	10.2
Straits Settlements .	0.1	Fiji . .	13.6	Macao . .	3.5
Federated Malay States .	15.4	<i>French:<sup>b</sup></i>		S. Tomé and	
Unfederated		Cameroons . .	5.1	Príncipe . .	5.5
Malay States:		Togoland . .	16.6	<i>American:</i>	
Kelantan . .	7.0	Algeria . .	25.0	Philippines .	16.3
Brunei . .	4.0	Morocco . .	24.5	Hawaii . .	12.6
Mauritius . .	18.5	India . .	0.4		
		French Guiana	3.3		

<sup>a</sup> Among colonies making no provision in their budgets for debt services were British Somaliland, Zanzibar, Basutoland, Bechuanaland, St. Helena, Johore, North Borneo, Sarawak, Gibraltar, Surinam, Korea and Alaska.

<sup>b</sup> Figures for Indo-China and French West and Equatorial Africa are not included as they would only show the incidence of debt on the Central Budget.

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It will be seen from this table that the burden of the public debt charges on total revenue in British colonies is on the whole lower than in those of any other country, except Portugal, whose colonies are, on average, the least burdened with debt. The incidence of heavy debt services shows no special 'continental' distribution among British colonies, the highest being Nigeria,<sup>1</sup> Ceylon, Mauritius, the Federated Malay States, St. Lucia, British Guiana and British Honduras. The Belgian Congo charge, 44.3 per cent., is high. The lowest debt services for colonies of first-class economic importance are those of the Straits Settlements (Malaya), with 0.1 per cent. of total expenditure, and Mozambique (Portuguese East Africa), with 1.8 per cent.

The large recent increases in the public debt of Netherlands India is reflected in the figure of 18.8 per cent.

In almost all colonial territories more is spent on social services than on economic development, if the new works concerned in the French loan plan are left out of account. But here the need to cut its coat according to its cloth is felt most painfully by the colonial economy. In many colonies, both in Africa and in Asia, government expenditure is subsidized by the money and activities of Christian missions. Even so, the barest needs of hygiene and education can alone be met. The revenue accruing to social services of all kinds ranges in most British colonies from 20 to 30 per cent. of total expenditure, but the appetite for services grows with their extension. It may be said that all such expenditure in colonies is directly productive; for the medical services have a directly beneficial effect on the population, while increased education is essential if the native is to produce with greater efficiency and market with greater discretion. In so far as labour regulations force companies operating in a colonial territory to introduce medical services and free or assisted insurance for their workpeople, the task of the government officer is assisted and the treasury indirectly benefited, for unhygienic conditions may spread disease and raise the rate of mortality, thus causing evils which it will take a generation or more, and much public money, to eradicate. A number of colonies are paying for past sins of omission and commission of this kind.

In general, then, the dilemma of the colonial treasurer is everywhere the same: his resources, by way of revenue, are inelastic, and his estimates show a steady tendency to expand. His reserves are too slight to risk a deficit; his credit and prospects too uncertain to borrow frequently. Yet if he economizes too much, or in the wrong direction, his actions may react with unpleasant results on the economic situation itself. He, no less than the colonial producer, is at the mercy of the forces of world prices, tariff policies, and restrictions. He is made aware of his position of dependence at every turn.

<sup>1</sup> If the expenditure on administration by native treasuries were included in total expenditure the percentage would be lower.

## CHAPTER XVIII

### EMPLOYMENT AND SETTLEMENT

European administrative staffs—estimates of white populations—small opportunities for white immigration—general considerations on immigration—emigration policies, German, Italian, Japanese—movements of population in the Pacific—Japanese and Chinese overseas communities.

#### *i. Employment of Europeans*

THE economic development of colonial countries involves, among other things, the maintenance of law and order, the conduct of enterprises requiring technical and administrative staffs, the establishment of financial and commercial houses, and consequently the services of officials, professional persons, managers of industry, and employees brought into the colony from outside. These men are largely drawn from the metropolitan country, for the direct government services almost exclusively so. In primitive countries they fill the more important posts, and it is only in advanced colonies, where education has been in progress for generations, that enough local talent is available to take over any large part of administrative, judicial and professional work.

It is difficult to give general figures of government officials employed, though estimates have been made of the number of nationals of the metropolitan Power employed and of their emoluments. The practice of colonial Powers varies. In those British colonies where indirect rule is practised, and in Netherlands India, natives carry on administration with the minimum of supervision by British or Dutch officials. The French system of direct rule demands larger staffs. The figures of the British, French and Belgian administrative staffs in Nigeria, French Equatorial Africa and Belgian Congo are instructive, though the British policy of indirect rule does not account for the whole difference, since the sparse population of the two last-named countries necessitates longer administrative journeys and a larger personnel.

TABLE XXXIV

*Area, Population and Administrative Staffs of Certain Colonies*

<i>Territory</i>	<i>Area in sq. miles</i>	<i>Population</i>	<i>No. of Euro- pean officials*</i>
Nigeria . . . . .	338,593	19,918,000	1,315
French Equatorial Africa . . . . .	877,000	3,200,000	887
Belgian Congo . . . . .	920,610	9,400,000	2,384

\* Estimates quoted by M. Paul Reynaud: *Report of the Colonial Budget*, Chamber of Deputies, session of June 28th, 1935.

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French administrations stress in theory the equality of indigenous populations, but in technical as well as in administrative occupations in west Africa more important work seems to be done by British than by French West Africans, in spite of the high standard of French West African education. A recent investigator<sup>1</sup> points out that much railway and post-office work carried out by Africans in British West African colonies is done by Europeans in French areas, and that few high technical posts are held by Africans, whereas, in the Nigerian emirates, the administration of public works is in African hands, and even so highly skilled a job as the technical topographic office, although started by Europeans, is now entirely manned by Africans. In British East African countries the growth of native employment has been far slower and many minor administrative posts in government, industry and commerce are filled by Indians and others. Progress is, however, being made in 'Africanization' of services under indirect rule in Tanganyika and Uganda. Uganda has about 530 European officials, 300 Asiatics (mainly Indians and Goanese in clerical posts), and 130 Africans in pensionable employment, with many others employed on other terms of service. An African civil service is in process of formation, including trained men for the medical, agricultural, survey and veterinary departments, and in clerical work.<sup>2</sup> In addition to the Africans employed by the central administration, there are considerable African staffs in native administrations. The Netherlands India 1930 census shows 20,731 Europeans employed in public administration; this figure would include Europeanized Javanese; here again large numbers of Indonesians engaged in local administrative work are probably not included. In Malaya British officials form a comparatively small proportion of administrative staffs, 863 out of 28,201. The clerical staffs, not included in these figures, are largely Chinese and Indian in the Straits Settlements and the Federated Malay States; in the Unfederated Malay States they are chiefly Malays.

Examination of the composition of administrative staffs in other colonies would give different results, but the examples given above suffice to indicate that the tendency is towards increasing employment of natives in government and other services and that the increase in salaried posts for Europeans is not likely to be great.

During the recent depression efforts were made by the Belgian and Portuguese Governments to effect reductions in the salary and pension lists. In Netherlands India economy led to extensive 'Indianization' of the services; similar measures were applied in trading and other enterprises. At the Lisbon meeting of the International Colonial Institute in 1933 it was stated that in Belgian Congo the European population numbered about 25,000 in 1930; but by 1933 it was 20,000, while 7,000 unemployed colonials

<sup>1</sup> Derwent Whittlesey, 'British and French Colonial Technique in West Africa', in *Foreign Affairs*, vol. xv, no. 2, Jan. 1937, p. 362.

<sup>2</sup> See H. B. Thomas and Robert Scott, *Uganda* (Oxford University Press, 1935), pp. 67-8, for the methods and terms of engagement.

had returned to Belgium.<sup>1</sup> In 1931 the salaries of Belgian officials and of the employees of private enterprises in the Congo amounted to 400 million francs, a sum that must have been heavily reduced; one group of enterprises alone, which employed 577 European agents in 1929, halved its personnel, and in the public service simpler organization led to a much-reduced staff.

In Netherlands India 59,000 official or private posts used to be open to Europeans. Of these posts 6 per cent. were suppressed during the crisis, and at the end of May 1932 3,590 Europeans without private resources were unemployed, in spite of the return of many to Holland. Doubts have been expressed on the 'Indianization' policy, since the weakening of Dutch hold on administration and the reduction in Dutch new-comers tend to weaken the links between the metropolitan Power and the colony. Since the reductions in these colonies were due mainly to the depression, there may be some fresh influx of Europeans, but it is likely that many places filled by natives will remain permanently in their hands.

In addition to persons who hold administrative posts and usually intend to return home, there are settlers who intend to remain there permanently.<sup>2</sup>

Examination of the composition of the non-indigenous population in colonies shows that, while nationals of the metropolitan Power predominate, the door is not necessarily closed to foreigners. Detailed figures for Netherlands India, Malaya, South West Africa and Tanganyika are given in Appendix XIII.

In Tanganyika the latest estimates show that the largest non-native community is Indian; Europeans numbered 8,455, of whom less than half (3,956) were of British origin (including Afrikaners), and 2,665 were Germans. In Netherlands India the total 'European' (including Japanese) population in 1930 numbered about 240,200 persons, less than 4 per thousand of the total population. Of these the overwhelming majority were of Netherlands origin, Japanese and Germans numbered each between three and four thousand, and British over a thousand.<sup>3</sup>

At any time the number of Europeans in tropical and sub-tropical colonies who are temporary residents is greater than the settlers. Even when all are counted the total is not large, but since they occupy key positions they have an importance far greater than is suggested by their numbers. Government officials draw from the colonies their salaries as well as their retiring pensions, usually spent in the home country.

## ii. *Estimates of White Populations in Colonial Countries*

Such statistics as are available of 'white' populations in colonies are subject to serious reservations, because of difficulties of definition. Some censuses include all persons with some European blood (notably in Spanish and Portuguese territories); in others the definition is stricter. But on the whole it may be said that the figures of white populations magnify

<sup>1</sup> *La Crise et les colonies* (Brussels, 1933), p. 33.

<sup>2</sup> See below for details of European and other settlement.

<sup>3</sup> For details of the population of Netherlands India see Appendix XIII.



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rather than diminish the totals. With due reservations Dr. Kuczynski gives the following estimates for Africa:

TABLE XXXV  
*Whites in Africa, 1835 and 1935*

<i>Geographical divisions</i>	<i>Sq. miles</i>	<i>1835</i>	<i>1935</i>
Mediterranean countries <sup>a</sup> . . .	2,168,000	20,000	1,660,000
Union of South Africa . . . .	472,000	66,000	1,950,000
Rest of South Africa <sup>b</sup> . . . .	1,884,000	3,000	190,000
Rest of the continent . . . .	6,798,000	1,000	100,000
Islands . . . . .	242,000	45,000	100,000
Total . . . . .	11,564,000	135,000	4,000,000

<sup>a</sup> Egypt, Libya, Tunis, Algeria, Morocco, Spanish Northern Africa, Tangier.

<sup>b</sup> Angola, South-West Africa, the Rhodesias, Nyasaland, Bechuanaland Protectorate, Basutoland, Swaziland, Mozambique.

Source: Kuczynski, *Population Movements*, p. 91. These figures, however, are subject to the reservations and modifications given by Dr. Kuczynski in notes to his book, pp. 81 et seq.

During a century of European penetration in Africa the white population has increased in the Mediterranean countries and in the Union of South Africa to 3,610,000 persons, but in the whole of tropical Africa there are still only about 400,000 whites, even when a generous interpretation is given to that term. The only considerable white communities in tropical Africa are Angola (58,698, many of them not of pure European blood), Belgian Congo (17,845), Kenya (17,501), Madagascar (24,610), Mozambique (23,131), Northern Rhodesia (11,464), Réunion (70,000, an estimate since the census puts in one class Europeans and assimilated), South West Africa (31,800), Southern Rhodesia, which belongs rather to southern than tropical Africa (55,000). For the West Indies it is difficult to give precise figures, since the population classified as 'White' in some islands would not in others be included in that category, and the figures for these countries are therefore not strictly comparable.<sup>1</sup>

In the islands of Oceania (excluding the Commonwealth of Australia and New Zealand, which are not colonial areas, and, for reasons of census definitions, Hawaii and New Caledonia) the white population is calculated at 119,300. In Malaya and Netherlands India European population is a little over 225,000.

The total white population in tropical and sub-tropical colonial countries is probably under a million. White settlement proper, in the sense of permanent residence, forms only a part of these figures, and is therefore small numerically, but its economic importance for the direction of production is much greater than the figures suggest.

Colonies do not offer any important remedy for population congestion in Europe, except perhaps in the Mediterranean countries of northern

<sup>1</sup> See, however, Kuczynski, *Population Movements*, p. 109.

Africa. In the past European emigration on a large scale has been directed to non-colonial countries, and above all to the Americas. The law of population movements cannot be discussed here,<sup>1</sup> but it may be noted that the general trend of migration is from regions with relatively low standards of living to those with higher standards. The primary object in emigration is individual betterment; disparity in the standard of living, not disparity in density of population, is the driving force.<sup>2</sup> Colonial areas were open to migrants in the later years of the last century and up to the World War with practically no restriction, but such emigrants as they attracted came mainly from the poorer countries, China, India, Arabia and to some extent the Levant. They offered, and offer, no attraction to the European labourer or artisan, whose standard of living does not enable him to compete with the native. Migration is directed to those countries where capital is increasing more rapidly than labour supply, as in North America in the heyday of development. A further condition is suitability of climatic and social conditions, which tropical countries rarely offer to the European. In southern Africa and in Algeria before the War settlement was considerable, but, even in these otherwise suitable areas, the competition of a cheap local labour supply able to live on small wages has created the problem of the poor white. M. Armino Monteiro, speaking at the opening session of the International Colonial Institute in 1933,<sup>3</sup> drew a picture of the poverty and the 'tragic situation which would be created by the transfer by a government of any considerable number of its citizens to colonial areas with the aim of solving the unemployment and poverty question at home. After the expenditure of fabulous sums they would merely have created a vast white proletariat in regions where it would be difficult to succour them.' They would lack even the mutual support available in all old settled countries.

Consequently colonial opportunities, except for Eastern peoples, are of a limited character; they are for persons with directing ability and with capital, and they offer no large relief for congested populations.

### iii. *Demand for Outlets in Colonial Countries. General Considerations*

Nevertheless, it is constantly urged that, even though the opportunities offered in colonial countries are relatively small, they are of importance now that restrictions on immigration into independent States better suited to European settlement are universal and in many cases amount to practical exclusion, that scientific advance has made life in tropical

<sup>1</sup> See Carr-Saunders, *World Population* (Oxford, 1936), for a recent general discussion of questions of congestion and the relief afforded by migration.

<sup>2</sup> See Ferenczi, *International Migrations*, vol. i, Statistics, p. 192. Of total European emigration to all destinations in the decades of 1891-1900, between 50 and 60 per cent. went to the United States, and even in subsequent quinquennial periods between 1911 and 1924, when immigration was restricted in that country, the proportions were 47.6, 34.3, and 42.7 per cent. See also Dr. C. L. Alsberg, *I.P.R. Notes*, Oct. 1936, p. 16.

<sup>3</sup> *Compte Rendu*, Brussels, 1933, p. 32.

countries more feasible for Europeans, and that the small number of European settlers in the past is not a criterion of future possibilities.<sup>1</sup> But European countries are not alone in needing outlets for population, nor is the existing situation likely to become more acute, since a declining rate of increase is practically universal. But in China, India and Japan the pressure on population is serious and likely to remain so. Moreover, for southern Chinese and southern Indians the problem of acclimatization in tropical countries presents no difficulties. The penetration of Asiatics into colonial areas has been very great in the last thirty years.

Even for India or China, emigration, either to colonial countries or elsewhere, can only present a partial solution of their difficulties. Of this the Japanese are fully conscious, and they have sought and seek relief in the expansion of industry and trade rather than in emigration, though in recent years the Government have provided excellent facilities and a well-thought-out scheme of emigration. For China and India, both of them of sub-continental dimensions, the best hope of relief lies in internal reorganization and development to make full use of their resources. In China the application of outside capital, making possible internal redistribution of population, appears to be a possible remedy, just as, by redistribution throughout the other islands, Netherlands India is seeking relief for the teeming population of Java.

In reviewing the possibility of extended settlement in colonial countries, the following considerations must be borne in mind:

- (1) the existing suitable areas for settlement, the terms on which land is available, and the further expenses, after settlement, necessary to bring the land into cultivation (stocking, transport, taxes, labour costs);
- (2) the reactions of settlement of non-natives on existing colonial populations and the question of the formation of minorities;
- (3) the assimilability of the immigrants; and
- (4) the general economic conditions governing the sale of produce, i.e. the market for the settlers' produce.

The fourth point is discussed in Chapter XV on Trade, Tariffs and Shipping, and it is only necessary to indicate here that colonial expansion in the form of further settlement must depend on increased demand for colonial foodstuffs and raw materials. But before discussing the possibilities of colonial settlement it is worth considering how far immigrants are assimilable and what is the policy of their own governments. Countries, whether they are self-governing States or colonies, will be more willing to receive new-comers who are prepared to identify themselves with the interest of their adopted home.

Germans have always been good colonists, and they have played a great part in the development of trade and industry in British countries, notably in the Union of South Africa. But since the change in the German Govern-

<sup>1</sup> For some discussion of this point see Chapter XIX.

ment in 1933 relations between German settlers and other sections of the community have undergone a marked change, notably in South West Africa. The 'Foreign Section' of the National Socialist Party (head-quarters at Hamburg) have taken in hand the 'Nazification' of Germans living abroad. For instance, a circular instruction of this body to the local Nazi organizations abroad, dated March 10th, 1934, states that 'It will be the task of the Home Country to see to it that in future only such teachers are allowed to teach German youth in foreign countries as are firmly rooted in the national socialistic spirit.' Boys and girls in South West Africa, where many resident Germans had accepted South African nationality and its obligations, were organized in Hitler youth movements. These and other activities were resented as interference by the National Socialist Party in Germany with the internal affairs of the mandated territory.<sup>1</sup> By a proclamation dated April 2nd, 1937, the Union Government took drastic action, removing non-British persons from public bodies and otherwise limiting their political action, and prohibiting recruitment of British or Union subjects for the German army or German volunteer organizations. Energetic representations were made by the German Government to Pretoria on April 5th.<sup>2</sup>

The Italian standpoint is different. There is no question of subversive activity, but there is a definite policy of prohibiting the emigration of Italians to any country unless they retain their affiliations with the Fascist Party and do not in any way commit themselves to final separation from Italy. Italy therefore demands that emigration should be under the national flag.<sup>3</sup>

Official policy in Japan is in strong contrast. The Japanese Government, like other Governments, prefer emigration for their citizens to countries under their own control, but the policy for the extension of emigration in 1926 laid down the following sound principles:<sup>4</sup>

1. The encouragement of the migration of persons with a certain amount of capital (hitherto Japanese emigrants have been principally workers without capital). The Department of Foreign Affairs had made experiments in 1925 in South America and in 1926 in Borneo for the migration of Japanese with the necessary capital for land settlement. The policy was now to be extended.
2. The policy of assimilation. Japanese migrants had generally gone to foreign countries with the intention of returning to Japan and had therefore not assimilated themselves or made efforts to become naturalized in the new countries. While there were 50,000 Japanese in Brazil,<sup>5</sup> only 400 or 500 had so far been naturalized and this cir-

<sup>1</sup> See the *Report of the South West African Commission* (Pretoria, 1936).

<sup>2</sup> For the text of the Note see the *Daily Telegraph*, Apr. 6th, 1937.

<sup>3</sup> See I.L.O., *Monthly Record of Migration*, vol. ii, no. 5, May 1927, p. 200; Sept. 1927, p. 536, and vol. iii, no. 9, Sept. 1928, p. 312.

<sup>4</sup> *Ibid.*, vol. ii, no. 2, Feb. 1927, pp. 69-71.

<sup>5</sup> Japanese settlers in Brazil numbered 140,000 by 1933. But severe restric-

cumstance might lead to a similar difficulty as that which had arisen in California. The Japanese law on nationality had been amended in 1925 with the object of remedying such a situation. The new policy was to encourage the permanent residence of emigrants in the foreign country and to further their assimilation.

3. The provision to intending emigrants of better information on conditions in the country of immigration, to prevent the wastage of savings by ill-judged expenditure on arrival in the new country. An institution was set up in Kobe for the purpose of giving prospective emigrants brief instruction.

#### iv. *Movements in the Pacific Area*

There have been large migration movements within the Pacific area, using the term in a wide sense to include the mainland of Eastern Asia, the East Indies and Oceania. There have been large movements from southern China into Malaya, Netherlands India and Oceania, and there has been some Japanese settlement in Japanese colonies and in Manchukuo, in the Philippines, Hawaii and Netherlands India. Annamites and others from Indo-China have gone to Netherlands India and to French islands in the Pacific, especially New Caledonia.

The largest recent movement has been the migration of Chinese from the north-eastern provinces of China into Manchuria from 1904 onwards. At that time the country was sparsely inhabited by pastoral peoples, but it was gradually settled by Chinese farmers until the population in 1926 had grown to 24 millions.

Net Chinese immigration (i.e. arrivals less departures) into Manchuria, which provided an outlet for over 800,000 Chinese in 1927, ceased in 1932, and was countered by a return to China of over 83,000.<sup>1</sup> There was a revival of Chinese immigration in 1933 and 1934, but restrictive measures have since reduced the inflow to little more than a trickle. Until 1930 there had been for many decades a fairly constant movement outward of Chinese coolies and traders to other Pacific areas. Many coolies were temporary emigrants, but some remained to increase the already large Chinese population in East Indian countries, Malaysia, and in the Pacific. The movements were placed on immigration by the Brazilian Government from 1934 onwards and the annual quota has been limited to 2 per cent. of the immigrants who have settled in the country during the last fifty years. Since Japanese immigration is a relatively new phenomenon (assisted emigration to Brazil was originally a measure of relief for the sufferers from the Tokyo earthquake), this quota system bears heavily on the Japanese. It was reckoned that 2,500 families were already in 1924 working on coffee plantations, 3,300 were partially independent farmers, and another 2,200 families occupied their own land. The new scheme provided capital and the necessary organization for the permanent land settlement. (I.L.O., *Monthly Record of Migration*, no. 23, Aug. 1924, p. 361. For particulars of the success of these schemes see *ibid.*, vol. iii, no. 2, Feb. 1923, pp. 48-53).

<sup>1</sup> *Fourth Report on Progress in Manchuria to 1934* (The South Manchuria Railway, Dairen, June 1934), p. 18. The Manchukuo handbook of information gives slightly different figures.

ment was reversed during the depression, and it has been estimated (1934) that of 10 million Chinese resident abroad over a million emigrants returned to China, partly in consequence of the general economic depression and partly because of the measures adopted by certain countries against the Chinese. Of those remaining abroad, apart from Chinese in Manchukuo, there are  $1\frac{1}{4}$  millions in Netherlands India,  $1\frac{1}{4}$  millions in Malaya, and perhaps  $\frac{3}{4}$  million in Siam and Indo-China.<sup>1</sup>

The Japanese population living abroad are mostly farmers and small traders. There is no Japanese 'coolie' labour; it was tried on Japanese rubber estates in Malaya, but the men could not stand the climate. The number of Japanese residing abroad on October 1st, 1934, was estimated at 873,000, of whom 340,000 were living in Asiatic countries, 200,000 in South America, and 140,000 in Oceania. The number of Japanese of all classes, emigrant and non-emigrant, leaving Japan annually has not been more than 20,000 or 30,000 since policies of severe restriction were adopted by Canada, the United States and Australia, and certain other States. Even before that there was little inclination to emigrate.

Some 6,000 Japanese are established in Netherlands India, where they compete with the Chinese in retail trade. They form a very important element in Hawaii, where 180,000 Japanese are settled. There is also a settlement of Japanese (20,000) in the Philippine Islands, concentrated mainly in eastern Mindanao, where they control the hemp industry and have formed villages with their own schools. Settlement within Japanese territory has been effected since the War in the north of Hokkaido and in Karafuto (S. Sakhalin).<sup>2</sup> Encouragement has been given to settlement in Korea and Formosa, but the total in these two countries is only about 750,000, mainly town-dwellers; and there is a considerable inward movement of Korean wage-earners to Japan.

The Sino-Japanese Treaty of 1915 recognized the right of Japanese to trade and settle in South Manchuria, but in twenty-five years the total was not more than 240,000, most of them resident within Japanese leased territory or in the railway zone, and mainly engaged in administration and trade. A determined effort was made to establish Japanese settlers after the occupation of Manchukuo. In October 1932 500 Japanese farmers, principally ex-soldiers, were settled in the Chiamussu district, about 300 miles north of Harbin, and another 500 were settled in 1933. But the Japanese in Manchukuo are for the most part officials, traders and technicians. Immigration for purposes of land settlement is principally Korean; Koreans in Manchukuo in 1934 were estimated at from 680,000 to a million. They have begun rice cultivation in the swamp districts.<sup>3</sup> A long-term settlement scheme for the establishment of a quarter of a

<sup>1</sup> For the development of Chinese emigration see A. J. Toynbee, in *Survey of International Affairs*, 1926, pp. 456-67.

<sup>2</sup> I.L.O., *Monthly Record of Migration*, vol. iii, no. 11, Nov. 1928.

<sup>3</sup> *Fourth Report on Progress in Manchuria to 1934* (Dairen, 1934, The South Manchurian Railway), pp. 16-17.

million Japanese settlers was discussed in the Diet at the end of 1934. The amount of settlement accomplished in that year was small, but it led to serious riots in the Lower Sungari districts. Title deeds were called in by the local authorities, and the action was thought to be preliminary to expropriation for a settlement scheme. The result was a peasant rising in which 2,000 Chinese and 400 Japanese soldiers are said to have been killed.<sup>1</sup> A company with a capital of 15 million yen was formed in 1935 to buy land in Manchukuo and to train Japanese immigrants.<sup>2</sup>

By 1936 it was believed that Japanese immigration into Manchukuo had passed the experimental stage, and the Japanese Government formulated plans for the immigration of from one million to five million emigrants over a period of 20 years beginning in 1937 with 10,000 families, or 50,000 persons, in 1937. It has been necessary to offer considerable financial inducements, since the standard of living is on the whole lower and the climate more rigorous than in Japan.

The congested populations of China, India and Japan can perhaps derive no substantial relief by emigration on any practicable scale.<sup>3</sup> As regards India Professor Carr-Saunders concludes<sup>4</sup> that emigration 'in its present restricted proportion is numerically negligible in relation to the population problem'. There are about 2½ million Indians living outside India, mainly in eastern and southern Africa, Ceylon and Malaya; few are established in the Pacific Islands, except in Fiji. The terms on which the Government of India permits assisted emigration to Ceylon and Malaya for labour purposes are outlined in the Chapter on Labour and Development. There has been in the past a considerable movement into Africa, which has raised some difficult minority questions (see Appendix XIV).

<sup>1</sup> *Survey of International Affairs, 1934*, R.I.I.A., p. 679.

<sup>2</sup> I.L.O., *Industrial and Labour Information*, Feb. 24th, 1936.

<sup>3</sup> For a discussion of congestion of population see A. M. Carr-Saunders, *World Population* (Oxford, 1936); Paul Simon, 'Indices de densité économique de population', in *Population*, Nov. 1934, vol. i, no. 3; for estimates of population density in relation to crop areas in Eastern countries, F. V. Field, *Economic Handbook of the Pacific Area* (New York, 1934), p. 56, and I.L.O., *Industrial and Labour Information*, vol. lv, no. 10, Sept. 2nd, 1935, summarizing a Chinese report; for population carrying power in Australia, *Proceedings of the Australian Association for the Advancement of Science*, Jan. 1935; for the Japanese population problem, T. Uyeda, *Future of the Japanese Population* (Tokyo, 1933); for congestion in Poland, *International Review of Agriculture* (Rome), Sept. 1933; for the settlement of political refugees, I.L.O., *Industrial Labour and Information*, vol. lvi, no. 3, Oct. 21st, 1935, p. 105; for the policies of countries of emigration, I.L.O., *Monthly Record of Migration* and, since its discontinuance, Migration Notes in *I.L.I. passim*; and a series of articles in the *International Labour Review* in 1936 and 1937; for Italian emigration policy in particular the monthly *Record of Migration*, May and Sept. 1927, Sept. 1928; a new study of *Migration and Economic Opportunity*, by various authors (Philadelphia, 1936), treats mainly of the redistribution of population within national areas, but the investigation throws some light on cognate problems in colonial movements.

<sup>4</sup> *World Population* (1936), p. 278.

## CHAPTER XIX

### POSSIBLE AREAS OF SETTLEMENT

In the Pacific, New Guinea, North Australia, Borneo, Outer Islands of Netherlands India—the Levant, Palestine, Syria—theories on white settlement in Africa—Africa by regions—Northern Africa, Southern Africa—British East Africa—West Africa, Belgian Congo.

THUS, though white settlement in colonies is important from the point of view of development, it is not, and is unlikely ever to be, numerically large enough to provide substantial relief for the pressure of population in Europe. Settlement by Asiatics is more feasible, but is not likely to make much impression on congestion at home; nevertheless, it is likely to increase if there is relaxation of existing restrictions, since it offers opportunities for an improved standard of living for the migrants.

But, since much stress is laid on the outlets for emigration which the colonies are supposed to be capable of supplying, it is worth while to consider what colonies have undeveloped resources and a population inadequate to their full utilization, since it is in such areas that development is possible.

#### *i. In the Pacific Regions*

The main 'colonial' and semi-colonial areas for development in the Pacific regions are New Guinea, the Northern Territories of Australia (if it is permissible to describe that region as a colonial area dependent on the Commonwealth of Australia), Manchuria and Mongolia, and certain outlying districts of Netherlands India.

New Guinea (the second largest island in the world), is still largely unexplored, and development has not advanced very far. The political divisions of New Guinea are shown in Table XXXVI.

In unexplored New Guinea it is impossible to say how far the existing population is sufficient for the development of the country or whether the country offers opportunity for settlement. Recent expeditions by air disclosed valleys whose inhabitants certainly have not come under any census enumeration. The total population may be larger than has so far been supposed.

Various societies<sup>1</sup> have been formed in the Netherlands for sending Netherlands nationals to Dutch New Guinea, but the Netherlands Government have not encouraged these projects.<sup>2</sup> As an attempt to establish

<sup>1</sup> The first group of colonists was established in Oct. 1930. At first it stuck to the principle that all work must be done by the white colonists, but since then it has been admitted that clearing and transport should be carried out by Papuans. The general aim of the society is to create a 'European' community without native labour.

<sup>2</sup> Report on Netherlands India for 1933, *F.B.C.C.D.*, 1933, vol. i, pt. i, pp. 282-3.



TABLE XXXVI

*Area and Population (Native and European) at June 1934, of New Guinea and Papua*

<i>Territory</i>	<i>Area in sq. miles</i>	<i>Native population of explored areas</i>	<i>Europeans</i>
NE. New Guinea (that part of the Australian Mandated Territory on the mainland) with small adjacent islands .	70,000	247,780*	3,250†
Papua (the SE. part of the island with adjacent islands and reefs) . . . . .	90,540	274,543	1,107
Dutch New Guinea (part of the Molucca Province. No separate statistics)			

\* The mainland territory thus contains rather over half of the total population; the enumerated native population of the whole Mandated Territory, which includes the Bismarck Archipelago (New Britain, New Ireland), the Admiralty Islands and part of the Solomon Islands, some 600 islands in all, was, in 1935, 484,374. The administrative centre is at Rabaul in New Britain.

† 2,592 British subjects, 379 Germans. There were also in 1933 1,353 Chinese, 294 mixed races, 251 Dutch subjects (chiefly Malays), 44 Japanese, and 23 South Sea islanders.

Source: *The Dominions Office and Colonial Office List*, 1936, Cmd. 5298. Report to the Council of the League of Nations on the administration of New Guinea, 1933-4, Commonwealth of Australia, 1935.

a European community without native labour, writes a Dutch correspondent, colonization in New Guinea may be considered a complete failure. Besides the climate and native competition an additional difficulty is the excessive cost of transportation for export products. Nearly all the colonists are Europeans of mixed descent from Netherlands India, whose position is growing more and more difficult owing to the competition of increasing numbers of well-educated natives with a lower standard of living and—because of the possibility of selection from hundreds of thousands—a higher standard of efficiency. The gradual merging of the lower-class Eurasians—Netherlanders by status—with the educated part of the native population will be one of the crucial political problems of the next fifty years. The resources of New Guinea in coal, gold and petroleum are being investigated by the Dutch Government and by private companies, but the territory offers only mediocre facilities for growing tropical crops.<sup>1</sup> The natives are unaccustomed to work, and efforts to recruit labour from Java have not been very successful. Colonization alone can never solve the population problem of Java, but it can temporarily ease the situation and—what

<sup>1</sup> A Japanese company (Nanyo Kohatsu) is experimenting with cotton on some plantations at Momi (coastal region near Manokwari); the management asserts that the last crops were a success. One or two colonists have tried cotton too, generally with indifferent results. The possibility deserves consideration.

is more important—help to develop the Outer Islands as a market for the industrial products of Java. The Netherlands Government strictly super-vise immigration to prevent the advent of undesirable elements, but it is alive to the danger of continued undevelopment in view of the political situation in the Pacific. For a time at least imported labour would be essential. The Molucca Province (of which Dutch New Guinea is a part) asked for a system of contract labour accompanied by penal sanctions, though Netherlands Indian policy aims at the abolition of these conditions.<sup>1</sup>

All three territories in New Guinea are mountainous, peaks in the central chain rising to over 13,000 feet. The great mountains and most of the lower country are covered with forest. The whole island is well watered, with a high rainfall in the mountains. The climate is tropical, but at a level of 2,000 feet it is generally agreeable; at the higher levels the nights are cold, and above 10,000 feet the climate is severe. Coco-nut palms bear well on the coast.

The dryer climate of central Papua is said to be suitable for cotton growing; tobacco of good quality is grown; the sugar cane appears to be indigenous, and various trees yield good rubber. Rice, maize and tropical fruits flourish. The mineral resources of Papua are only partly surveyed, but gold-mining produced £68,921 worth for export in 1935, and there are indications of petroleum deposits over an area of about 1,500 square miles between Yule Island and the Purari Delta. The number of natives employed under contract decreased during the depression, and was only 5,244 in 1932, with 1,923 'free' labourers.<sup>2</sup>

The mandated territory of New Guinea is believed to contain considerable mineral wealth (oil, sulphur, copper, nickel). Gold-mining has begun around Edie Creek in the Morobe district.<sup>3</sup> Of the 93,000 square miles of the mandated territory, including the islands, only 52,000 square miles are more or less controlled and penetrated, but some progress is made each year. The natives of the mandated territory are primitive, and cultivate for their own food supply, though the authorities encourage production for local sale, and offer inducement to work on plantations and in the mines, including certain tax exemptions. The mandated territory, with its mines and plantations, obviously offers a field for labour from Asia, but the Australian Government's policy is to rely on local native labour, in spite of the difficulties involved, the principle of a White Australia being

<sup>1</sup> See the debate in the Volksraad on the 1936 Budget, summarized I.L.O., *Industrial and Labour Information*, vol. lvi, no. 3, Oct. 21st, 1935, pp. 112-13.

<sup>2</sup> The Administration hope to secure the abolition of contract labour, under penal sanctions, but the planters prefer the contract system in spite of the high costs of recruitment, transport, &c., amounting in some cases to £8 per head (I.L.O., *Report on the Recruiting of Labour in Colonies, &c.*, 1935, p. 59).

<sup>3</sup> Gold production has steadily increased although the fields are only easily accessible by air. It was 46,000 fine oz. in 1926-7, and 250,374 fine oz. in 1934-5. The total export between June 1926 and June 1935 was valued at £5,518,000.

extended to the mandated territory. There was already a small Chinese population in the mandated territory before the War; it has not increased, and the Chinese are engaged in other occupations, not as labourers.

In all three territories marine fisheries are important, the most valuable products being pearls, trochus shell and bêche-de-mer.

The area of the Northern Territory of Australia is 523,620 square miles, and the population very small.<sup>1</sup> The territory lies almost entirely within the tropics, and the coast has a season of heavy rain in December and January; over the area as a whole rainfall is very small during eight months of the year, and the monsoon rains are erratic in occurrence. There are extensive forest regions and farther inland steppes with good pasturage, maintaining considerable herds of cattle and horses. Farther south the soil is sandy, with little rainfall, water being provided from sub-artesian bores. Little progress has been made with settlement, though trial plantations of tobacco and cotton have given good results. The coco-palm grows on the coast, but there is little planting except at the mission stations.

Leases are granted by a Land Board, and are given for effective occupation, with provisions as to residence, stocking, fencing and so on. Leases to aborigines of farms not exceeding 160 acres can be made by the Governor at his discretion. A limit is fixed to the amount of land to be assigned on lease to any one person, but arrangements are made for the concession to companies of tropical lands for plantation development on certain conditions. The terms of these concessions must be laid before both Houses of Parliament. In the long run little advantage can be taken of the opportunity of obtaining concessions without imported labour, in view of the scanty numbers of the aborigines, who are just numerous enough to cultivate plots for themselves.

It is an error to think that the Commonwealth neglects the possibilities of the Northern Territory. Sir James Barrett recently pointed out<sup>2</sup> that areas in the East Indies similar in soil and climate to tropical northern Australia were still practically empty in spite of the vast population of Java and the East Indies, and suggested that if tropical Australia were suited to tropical agriculture the Malays would have long since been there.<sup>3</sup> As he recalled in a later communication,<sup>4</sup> in 1876 the Government of South Australia, which then managed the territory, invited Japanese to settle and develop the country. The Japanese Government—evidently well informed—declined the invitation. Later a number of Chinese made their appearance and they, too, have practically left the country. Better communications, Sir James Barrett observed, would be helpful, but as

<sup>1</sup> According to the census of June 30th, 1933, there were in the Northern Territory and tropical Western Australia combined 10,178 persons exclusive of full-blooded aborigines; of these about one-half were Europeans or Asiatics.

<sup>2</sup> Letter to *The Times*, March 17th, 1936.

<sup>3</sup> See also W. Wynne Williams in *Pacific Affairs*, vol. ix, no. 3, June 1936.

<sup>4</sup> *The Times*, Feb. 8th, 1937. See also a circular issued by the Bank of New South Wales, Aug. 31st, 1936, on 'Australia's Vast Empty Spaces'.

£17 millions has already been spent on this territory by the Government, caution was not unreasonable.

The suggestion has been made that these northern territories might be developed by chartered companies, German or Italian, but Australians do not regard these proposals with favour, and there is no apparent solution to the labour situation except by Chinese immigration, i.e. by an abandonment so far as this territory is concerned of the White Australia doctrine.

The other large undeveloped area in the Pacific Ocean is Borneo, the northern part being under British protection, the southern and larger part an outlying province of Netherlands India. The areas and populations are:

TABLE XXXVII  
*Areas and Populations of Borneo*

<i>Territory</i>	<i>Sq. miles</i>	<i>Population</i>	<i>Density</i>
North Borneo . . .	29,347	284,813	10·6
Sarawak . . . . .	50,000	475,000	9·5
Dutch Borneo (West)	56,666	802,447	14·2
(South and East) . .	151,627	1,366,635	9·1

Estate rubber, timber, copra and cutch (a tanning material obtained from the mangrove tree) are the principal exports of British North Borneo. There are many valuable subsidiary industries. The natives are primitive, and cannot provide the labour required for the agriculture and timber-cutting industries (18,534 labourers in 1929, but falling to less than half that number in 1932). The indentured labour system, with penal sanctions, was abolished in 1933. Assisted immigration from Hong Kong ceased in 1929. Immigration from Java is by agreement with the Netherlands India Government, with provision for the safeguarding of the workers. Sarawak has similar vegetable wealth, but the main article of export is petroleum controlled by the Sarawak Oilfields, Ltd., at Miri.

These three areas, Borneo, New Guinea and the northern territories of Australia, could produce a greater quantity of raw materials and food products, but the climate makes all three unsuitable for close white settlement. If they are developed on the plantation system, they would require further capital, new markets, a limited number of technical directors and the import of labour from Asia and Java. Close settlement by Asiatic immigrants, consuming the produce they grow, would not involve the difficulties of finding an external market for large additional production. These countries would appear to offer certain facilities for Asiatic colonization, if no political difficulties were involved.

The sparsely populated 'Outer Islands' of Netherlands India have not so far attracted Asiatic or Javanese settlers in large numbers. To encourage colonization of the Outer Islands by the inhabitants of congested Java the Government are extending the arable area by irrigation and providing

public works to employ the rural population. The contrast between Java, with its population of 41·7 millions (1930 ; 316 to the square kilometre) and the other islands (19 million people ; less than 11 to the square kilometre) has become, writes a Dutch correspondent, the central theme for the economic policy of Netherlands India, a natural and inevitable development, not caused but only accelerated by the world crisis.

The main trends of economic policy for the rectification of the population balance are: a gradual industrialization of Java (the share of Java in the imports of the Outer Islands rose from 31 per cent. in 1928 to 45 per cent. in 1935), the colonization of the Outer Islands by immigrants from Java and the intensification of agricultural production in Java. The grant of 25 million guilders, made by Holland to Netherlands India for economic purposes (to be spent in the years 1937 to 1939), has been subdivided along these lines, 9·7 millions being allotted for irrigation and colonization, 3·3 millions for roads, 3·9 millions for agriculture, forestry, fisheries and industry, and about 1 million for small agricultural and industrial credits. The territories which are being specially investigated for possible Javanese colonization, besides south Sumatra, are south and east Borneo and south Celebes. In the discussion on the budget for 1926 the Volksraad voted a credit for the settlement of Javanese workers on adequate plots of land in the Outer Islands. It was pointed out that the system of settling workers on small parcels of land on the outskirts of the estates so that they may support themselves and their families partly by cultivating their own plot and partly by working on the estate was unfair to settlers, who might suffer if the estates had to curtail their labour force. It was desirable that the settler should have a piece of land sufficient to make him independent of wages.<sup>1</sup>

The Governments of these countries—British, Australian and Dutch dependencies—are aware of the necessity of development. But the question is extremely difficult. The protection of the existing local populations from over-rapid economic changes must be assured. The evils of temporary contract labour, if the men are unaccompanied by their families, are recognized ; the introduction of whole families for permanent settlement with suitable allocations of land brings its own problems. There may be a degree of assimilation in advanced communities like that of Hawaii, but the problems raised in undeveloped areas with primitive populations are very different.

## ii. *In the Levant*

The most spectacular immigration into colonial countries in recent years has been the settlement of Jews in Palestine, the establishment of a Jewish national home in accordance with the terms of the mandate. A large proportion of immigrants go to the towns. The Jewish settlements, of which 161 villages out of a total of 167 are in the districts of Jaffa,

<sup>1</sup> I.L.O., *Industrial and Labour Information*, vol. xvi, no. 3, Oct. 21st, 1935, pp. 112–13.

Ramleh, Gaza, Haifa, and Tulkarem, have been extraordinarily prosperous, but there have been increasing difficulties in obtaining more land, and much unrest has been produced by land disputes. The number of approved Jewish immigrants between September 1920 and the end of 1935 was 252,918, which must be offset by a certain amount of emigration. In 1925 the figure reached a record with 33,801 immigrants. There was a slowing down from 1927 to 1931, the figure in 1928 being as low as 2,178, with a practically equal outward movement. But in 1932 the figure rose to 9,553, and, with the establishment of the Nazi régime in Germany and severe economic and political pressure in Poland and other east European countries, there was a heavy increase from 30,327 in 1933 to 61,854 in 1935. At the same time the outward movement slackened, and it was maintained by the Arab population that the rate of influx was beyond what so small a country as Palestine, already inhabited, could bear. Most of these recorded immigrants were persons authorized as permanent residents. Apart from these immigrants there has been a considerable volume of illegal immigration. Of the arrivals in 1935 by far the greater number came from Poland. The principal countries of origin of the total of 61,854 were:

TABLE XXXVIII

*Jewish Immigration into Palestine in 1935*

<i>Country of Origin</i>	<i>Number</i>
Poland . . . . .	27,843
Germany . . . . .	8,630
Rumania . . . . .	3,890
Greece . . . . .	2,171
Lithuania . . . . .	2,137

with considerable contingents, over 1,000, from Austria, Czechoslovakia, France, Latvia, Turkey, Yemen and Aden and the United States. The position was not dissimilar in 1934; Polish Jews formed 43 per cent. of the total in that year and 45 per cent. in 1935. An analysis of the countries of origin of the Jewish immigration of 1919-35 is as follows:

TABLE XXXIX

*Jewish Immigration into Palestine, 1919-35*

<i>Country of origin</i>	<i>Number</i>
Poland . . . . .	107,958
U.S.S.R. . . . .	29,528
Germany . . . . .	20,784
Rumania . . . . .	12,491
Lithuania . . . . .	8,086
Yemen . . . . .	7,277
U.S.A. . . . .	5,907
Total, with immigrants of other nationalities . . . . .	259,889

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The total of German origin, including those not emigrating direct, is estimated at 30,000.<sup>1</sup>

Most Jewish immigrants still gravitate to the towns, but towards the end of 1935 unemployment developed in Tel Aviv and Haifa, and there was a slight movement into the agricultural settlements. There is some illicit immigration not in the statistics. The situation created by the rapid settlement of a community on this scale and its reactions on the Arab population is not yet resolved.<sup>2</sup>

Syria (Syria, Greater Lebanon, Latakia and Jebel Druse) has for generations provided a stream of emigrants, mainly to Brazil and other South American countries. The emigrants were mainly peasants driven into the over-crowded towns by the insecurity of the open country, and by poverty. Migration continued after the War, but there has been a considerable return movement, both of Syrians who had made their fortunes and of poor men repatriated. The carrying capacity of the country, with a good policy of irrigation and land reclamation, is considerably greater than the present population of about 3,250,000. The average density, if desert areas are excluded, is about 25 to the square kilometre, and some parts of the country are very fertile. Under French rule the irrigation area has been steadily extended, and schemes have been put in hand for irrigating 150,000 hectares of land. Simultaneously State domains have been broken up into peasant holdings and Moslem systems of land-holding have been rationalized.

In the post-War years the French Government provided for large numbers of refugees from Anatolia, most of them Armenians, at first in temporary hutments near the big towns. Settlement schemes were framed in 1926 with the help of Dr. Nansen's Commission and other bodies, chiefly in the Alexandretta and Latakia districts, and the work went on successfully until the depression, when a halt had to be called.<sup>3</sup> The refugees entered destitute, and were at first regarded with hostility, but they appear to have adapted themselves with some success.

Arrangements had been made for the settlement in certain areas in Syria of Assyrian refugees from Iraq. It was decided to begin settlement in the Khabbur area, the money to be provided by the British and Iraqi governments, the Mandatory, and the Assembly of the League. By June 1936 about 6,000 Assyrians were settled. The abandonment of the original scheme for settlement in the Ghab area was announced by Mr. Eden in the House of Commons on July 15th, 1936. The decision of France to terminate

<sup>1</sup> For a detailed account of settlement in Palestine see R.I.I.A., *Great Britain and Palestine 1915-1936* (1937). See also Lord Melchett, *Thy Neighbour* (Muller, 1936).

<sup>2</sup> *Mandate Report for Palestine, 1935.*

<sup>3</sup> In the seven agricultural settlements, established at a cost of 3½ million French francs (repayments up to the end of 1934, 124,363 francs), 1,248 refugees were provided for and 295 houses built. Urban settlements provided for 37,613 refugees, with 3,715 houses at a cost of 6½ million francs, of which over 2½ million francs was repaid.

the mandate and the development of nationalist feeling in Syria changed the whole situation.<sup>1</sup> The capital and labour introduced by the Assyrian refugees would undoubtedly have helped the economic development of the country.<sup>2</sup>

Schemes for Jewish settlement near the Palestine border were supported by the landowning and merchant classes, but there was violent opposition among other classes, and in January 1934 the High Commissioner, M. de Martel, forbade the alienation of land or the acquisition of property rights and long-term leases near the Palestine border without a government permit. Individual Jews with technical knowledge and capital would be welcome provided that they did not pursue Zionist aims or create large communities.

### iii. *General Conditions in Africa*

The present population of Africa, estimated at about 145 millions, is very unevenly distributed. In the steppe lands south of the Sahara occupied by nomad cattle raisers there is a population density of only about 1 per square kilometre. In the forest districts of the Congo, although there is plenty of rain, density is not much higher. The savannah lands are the most thickly populated. Certain favoured districts are congested; the Nile Valley in Egypt, the Egyptian province of Menufie, Kavirondo, the oases of the Sahara and the southern slopes of Kilimanjaro. There is certainly room for a greater population in Africa, but some of the estimates of capacity appear to be exaggerated.<sup>3</sup>

<sup>1</sup> The future of those Assyrians who have gone to Syria is uncertain. The Turkish Government object to their presence on the Khabbur river near the frontier. The presence of French garrisons protects them for the time being, but when these are withdrawn the new-comers are likely to suffer. See *The Times*, Nov. 17th, 1936.

<sup>2</sup> M. Berenstein, writing in the *International Labour Review*, I.L.O., vol. xxxiii, no. 5, May 1936, says that large stretches of cultivable but idle land are still available. 'Their development depends on the introduction into the country of new methods of cultivation, and above all on the extension of irrigation, which will enable more of its inhabitants to engage in agricultural pursuits and will encourage the settlement of the nomadic population. This irrigation policy might also usefully be supplemented by a policy of immigration, which would supply Syria with the agricultural labour and the capital that she lacks at present.'

<sup>3</sup> Dr. Westermann takes the two great savannah regions north and south of the primeval forest and estimates this area at 5.6 million square kilometres. He suggests that on the analogy of the population carried in similar districts of India these areas might support 90 persons per square kilometre, i.e. 504 million people. The tropical rain forest and areas of the warm moderate climate of Abyssinia, Angola and South Tanganyika could, he thinks, support a higher density. Estimates of the 'carrying power' of Africa vary from 1,000 to 2,000 millions. Shantz and Marbut put it at 1,085 millions; if this estimate is correct, Westermann says that Africa could support a population 7 or 8 times as great as the present population, if orderly conditions prevail and the soil is intensively cultivated (see D. Westermann, *The African To-day* (Oxford University Press, 1934).



Some contend that the future of Africa is to be, as it were, a continuation of Europe, that the present political domination by Europe will continue indefinitely, and that European farmers should be established on all those lands which are climatically suitable.<sup>1</sup> The argument is based on the relative crowding in Europe, and on the relatively sparse population of Africa. Dr. Westermann concludes that, as there are other parts of the world which are over-populated and as the population of the earth is increasing, the time is within sight when the land to be disposed of in Africa will be occupied, and the question then arises, who will be the occupants. Of the 4 million whites living in Africa it is necessary to consider others besides the nationals of the colonizing Powers. Greek penetration through Egypt into the Sudan and East Africa is considerable, and so is the newer movement of Syrians. Asiatic races are represented by Arabs, Indians and Goans (with some Portuguese blood). Arabs and Indians are traders and small employers; Indians are found, not in any large numbers on the land, but in preferred employment, though the native educated African is to some extent replacing the Indian clerk and government employee.

General Smuts,<sup>2</sup> in pointing to the opportunities for white settlement in the highlands of eastern Africa, stretching from Kenya to the south, notes a slowing down when there should, in his view, be a determined moving forward.<sup>3</sup> He ascribes the change to the view that Africa is, and should remain, a black continent, the home of the negro and negroid people.<sup>4</sup> General Smuts does not deny that there are abuses which should be avoided, and he grants in principle the paramount claim of native interests. He believes that white settlement under proper safeguards will forward those interests.<sup>5</sup> He advocates 'segregation'—separate institu-

<sup>1</sup> See G. de Michelis, *World Reorganization on Corporative Lines* (London, 1936) and a paper read by Dr. Salvadori before the Royal Belgian Colonial Institute, *Bulletin des Séances*, vol. vi, 1935, no. 2 (Brussels) on 'Some Aspects of European Emigration into Africa, and especially, to the highlands of Eastern Africa'.

<sup>2</sup> Smuts (General J. C.), *Africa and some World Problems* (Oxford, 1930), pp. 44-6.

<sup>3</sup> The highlands are not, in fact, continuous, and there are considerable native populations whose future has to be considered.

<sup>4</sup> The objections to white settlement, as expressed by Lord Olivier in 1919 were: 'that settlements in Africa produce (as they have done in all ages and all countries) first, slavery, predial or domestic; second, compulsory or indentured labour; third, the expropriation of natives from the land in order to compel them to work for wages on the estates; fourth, pressure on the natives to labour for wages through direct or indirect taxation—each of which has in turn given rise to reactions of the humanitarian conscience' (*Contemporary Review*, Jan. 1919).

<sup>5</sup> The civilization of Africa, he says, 'calls for a definite policy, the policy of European settlement, the establishment of a white community inside Africa which will form the steel framework of the whole ambitious structure of African civilization. Without a large European population as a continuous support and guarantee of that civilization and as an ever-present practical

tions for the two elements of the population living in their own separate areas. In not setting aside sufficient reserves for natives in South Africa in the past he sees the root of existing difficulties in native policy.<sup>1</sup> General Smuts describes industrial, as distinguished from territorial, segregation as impracticable and an offence against the modern conscience. Though he admits the cogency of the formula of equal 'rights for all civilized men' which represents traditional British policy, he justifies political discrimination on the ground that this formula emerged at a time 'when the doctrine of native parallelism had not yet emerged, when native institutions were proscribed as barbarous, and the only place for the civilized native was therefore in the white man's system and the white man's institutions'.<sup>2</sup>

In his book on *World Reorganization on Corporative Lines* (1936), Senator de Michelis includes a chapter on the organization of Europe and 'Eurafrica'. He regards Africa as strictly complementary to Europe and its penetration by European civilization as an historic and economic necessity, an economic necessity because the enlargement or creation of markets in Africa is necessary to compensate for the loss of other European overseas markets. He maintains that there is room in Africa for thousands of colonial farms and millions of Europeans. In the south the highlands of Angola are suitable for settlement. In the intermediate regions European settlement could be made possible by the application of science to problems of disease and to the conditions of a tropical climate. Tropical heat could be conquered just as the cold of northern countries has been conquered.

The possibility and the desirability of white settlement in Africa are often exaggerated. Italy justified her invasion of Abyssinia partly by her need to find land for settlers. There is room for the collaboration of European capital and European technical advisers, especially on matters concerned with soils, plant life, stock-rearing and agricultural methods generally, but it is doubtful whether Africa promises any substantial outlet for the relief of European over-population, except perhaps in southern Africa and in the Mediterranean countries, and some authorities think that settlement has gone as far as it can usefully go in French North

example and stimulus for the natives I fear that civilization will not go far and will not endure for long. From the native point of view, therefore, just as much as from the white or European point of view, nay, even more from the native point of view, the policy of African settlement is imperatively necessary' (*Africa and Some World Problems*, p. 49).

<sup>1</sup> 'The system is accepted and welcomed by the vast majority of natives; but it is resented by the small educated minority who claim "equal rights" with the whites. It is, however, evident that the proper place of the educated minority of the natives is with the rest of their people, of whom they are the natural leaders, and from whom they should not in any way be dissociated' (*ibid.*, p. 93).

<sup>2</sup> For the development of this policy in the Union of South Africa, see Appendix VI.

Africa. The notion that extensive white colonization of the higher lands of central, west and east Africa is desirable (however inevitable it may be) rests on a false analogy with the colonization of North America in the eighteenth century and of Australia in the nineteenth. Those countries were almost vacant; they had a sparse population of nomads. Africa has in most areas (certain regions of equatorial Africa excepted) a fecund population which should increase as European medical and hygienic science obtains control over epidemic disease and decreases infant mortality, and if the results of research are applied to soil defence and cultivation. The trouble in some African areas is the lack of sufficient good land for native farmers. No doubt their present methods of shifting cultivation and the maintenance of non-economic herds are wasteful, but they are being improved under administrative supervision.

In Kenya,<sup>1</sup> where climatic and other conditions are relatively favourable to white settlement, the area scheduled for that purpose is  $7\frac{1}{2}$  out of 144 million acres, and, though the land thus scheduled was largely unoccupied when British rule was established, land hunger among the natives is already one of the gravest problems of the administration. Commenting on the situation in Africa generally, Sir Daniel Hall, who was Chairman of the Agricultural Commission in Kenya, where conditions for white settlement are as favourable as in any area outside southern Africa, concludes that there is little room in Africa for widespread white settlement except by the elimination of the existing population,<sup>2</sup> which is unthinkable.

Other parts of east Africa have already been mapped out for white settlement, and in the opinion of many competent judges (Sir Daniel Hall has been cited above) the process has gone as far as it safely can. There has been little direct encouragement in Great Britain for settlers to go to Africa, except to Kenya and Southern Rhodesia.

*Northern Africa.* The two extremities of the African continent are in a different position climatically, politically and demographically from central Africa. They lie within the temperate zone, and in neither is the climate very different from that of southern Europe. The shelving

<sup>1</sup> Kenya settlers found conditions so difficult even under the improved conditions of trade obtaining in 1936 that the European members of the Kenya Legislature sent a deputation to London in May to ask for further assistance to European agriculture. The worst legacy of the depression, which struck the settlers before development had reached maturity, is the heavy indebtedness of farmers. The request is for machinery for the discharge of existing obligations in the form of long-dated government bonds, issued against transfer of security from the present creditors to the Government. The creditor would either receive bonds in full settlement or be given the option of agreeing to a virtual moratorium for five years, reducing the interest charge meanwhile to that charged under the bond scheme. The limit placed on the scheme is £5 millions. Some assistance has already been given, including large reductions on railway rates. Railway finance is now sound; the railways draw much of their income from prosperous Uganda (see statement in *The Times*, May 21st, 1936).

<sup>2</sup> *The Times*, Jan. 6th, 1936.

country of south Africa, indeed, presents at its higher altitudes exhilarating climatic conditions favourable even to northern Europeans. The indigenous peoples of north Africa are of mixed descent, but they belong to the white race, and are more nearly akin to the European than to the negro and negroid races.<sup>1</sup> The close links between the European and African centres of Mediterranean civilizations, existing in the pre-Christian era and continuing until the collapse of the Eastern Empire, were destroyed by the Arab invasion, which in its turn broke upon Spain and Sicily, and set up a new connexion with Europe. But after the destruction of the Moorish kingdoms in Spain there was little contact, unless piracy is so reckoned.

The new European penetration into north Africa in the last hundred years, beginning with the landing at Algiers in 1830, has been carried out by France and, more recently, by Italy and Spain. The introduction of European capital has made possible the settlement of a number of European farmers, and it is sometimes claimed that with the co-operation of French capital and man-power from European countries with a denser population than that of France the process might be extended. Extension of this kind would demand, however, co-operation between European Powers in the provision of markets and a different fiscal policy. The situation of existing colonists is in fact precarious because of the difficulty of finding an outlet in France for the products of French North Africa.

In the three departments of Algeria incorporated with France, Europeans form a larger proportion of the total population than elsewhere, except at Tangier with its mixed European trading community.<sup>2</sup>

Italian North and East Africa offer limited areas of settlement, but their possibilities are being exploited to the fullest extent. The areas suitable for European settlement in Libya (Tripoli and Cirenaica) are estimated at about 17,000 and 12,000 square kilometres respectively. According to the statistics of the *Annuario delle Colonie Italiane*, 1935, there are 28,459 Italians in Tripolitania,<sup>3</sup> 16,351 in Cirenaica, 4,182 in Eritrea, 1,634 in Somaliland. Settlers have been established in Libya, the Government meeting the initial expenses. In Eritrea the Società Imprese Africane has experimented in cotton cultivation. A government decree of July 12th, 1933, provided for grants towards the construction of buildings and installation for farms; a decree of October 19th provided a subsidy of from 20 to 300 lire per

<sup>1</sup> Physically, the population of north-west Africa seems to show closer affinities with the population of Europe than with that of north-east Africa, notwithstanding the fact that the Berber language belongs to the Hamitic group, like Ancient Egyptian, Coptic, Galla, Somali and other pre-Semitic languages of the Nile basin and Somaliland, and that the Hamitic and Semitic groups themselves are traceable to a common root (*Survey of International Affairs*, 1925, R.I.I.A., vol. i, p. 92).

<sup>2</sup> For detailed information on French North Africa see Appendix XV.

<sup>3</sup> For particulars of irrigated land, afforestation, and the settlement of farming families see *Economic Conditions in Algeria, Tunisia and Tripolitania*, Department of Overseas Trade, March 1935, p. 75.

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hectare brought into cultivation. Experiments were made in the cultivation of coffee, bananas and quinine. In Somaliland consortiums for colonization were constituted, but a prudent reserve was exercised. A number of societies were formed in 1936 for the development of Ethiopian agricultural industry<sup>1</sup> and preliminaries for settlement were put in hand, the first being an accurate survey of the country occupied, and the provision of communications. At the end of December 1936 it was estimated that some 100,000 Italian workmen were engaged on the preparatory work for settlement. Companies have been formed for the promotion of stock-raising, cotton-growing, wool-growing, the lumber trade, &c., but it is realized that experimentation is necessary before these agricultural developments are started on a large scale.

*Southern Africa.* Geographically southern Africa may be taken to include the Union of South Africa, South West Africa (the three British High Commission territories), Southern Rhodesia and part of Portuguese East Africa. The proportion of the European to the non-European population in 1935-6 is shown in the following table.

TABLE XL

*Numbers of European and Non-European Populations in British Countries in Southern Africa and Proportion per cent. of each Race to Total Population, 1935 or 1936.*

Territory	Population			Proportion per cent. of total population	
	Total	European	Non-European	Euro-pean	Non-Euro-pean
Union of South Africa	9,588,665	2,003,512	7,585,153	20.9	79.1
Basutoland . . .	570,000	2,000	568,000	0.35	99.65
Bechuanaland Protec-torate . . .	160,000	1,660	158,340	1.0	98.9
Swaziland . . .	126,560	2,830	123,730	2.3	97.7
Southern Rhodesia .	1,305,000	55,000	1,250,000	4.2	95.8
Total . . .	11,750,225	2,065,002	9,685,223	17.6	82.4
South West Africa .	266,930	31,800	235,130	11.9	88.1
Total British South Africa . . .	12,017,155	2,096,802	9,920,353	17.4	82.6

R. R. Kuczynski, *Population Movements*, Oxford, 1936, p. 95; for the Union of South Africa the census of 1936, and for Southern Rhodesia unpublished census figures.

The greater part of this territory lies south of the Tropic of Capricorn, and has a warm temperate climate; north of the tropic much of the area

<sup>1</sup> See *Business and Financial Report*, Rome, Oct. 1936.

is plateau land, with a climate suited to European settlement. The Cape District has a nearly perfect climate, with a midsummer mean temperature at Capetown of less than 70° F., a winter mean of 55° F., and a rainfall of 24 inches. The coastal lowlands from Natal northwards have a tropical climate, with tropical vegetation, while the highlands of eastern South Africa have a smaller rainfall and much excellent grass-land. Southern Rhodesia has tropical conditions in the areas below 3,000 feet, but the highlands above 4,000 feet are well suited to white settlement. The southern African area includes large arid and semi-arid regions in which population will probably always be sparse. These conditions obtain over the greater part of the Bechuanaland Protectorate, including the Kalahari Desert and a large part of South West Africa.

With settlement within the Union this study is not directly concerned, but the policy followed by the South African European community, the largest in the continent, inevitably exerts a considerable influence on the neighbouring territories. The Union is, moreover, itself a colonial Power, exercising a C mandate over South West Africa, which enables it to administer the Territory virtually as part of the Union; and the High Commission Territories of Basutoland, Swaziland and Bechuanaland Protectorate are economically dependent on the Union, though still under British administration.<sup>1</sup> In the Union, white interests are paramount, and native lands limited, the largest native reserves being in Transkei, Tembuland, and East Griqualand.

In none of the High Commission Territories is there further opportunity of white settlement. In Basutoland the land is held under the communal system and its use is apportioned by the chiefs. The Europeans, who numbered 1,603 in 1921, are mainly officials, missionaries, traders and labour agents. The native population is congested. In Swaziland more than half the total land is owned by about 500 Europeans, some of them Transvaal sheep farmers who use the land for winter-grazing; there is a considerable native 'squatter' population on alienated land. In Bechuanaland Protectorate<sup>2</sup> about 7,500 square miles have been alienated to Europeans, and nearly half the protectorate is unallotted Crown land, much of which is in the Kalahari desert. The inhospitable character of the country accounts for the emptiness of the map. The natives live on the eastern fringe of the desert, except for the tribes around Lake Ngami and the Okavango swamp in the northern part of the territory. This latter region is well watered but malarious and infested with tsetse-fly. Experience of white settlement has been unfavourable. The earlier settlement of Dutch and British farmers made by Cecil Rhodes and by the Tate and British South Africa Companies in the '90's has suffered from

<sup>1</sup> For discussion of this question see below, Appendix V.

<sup>2</sup> For the economic difficulties of the Bechuanaland Protectorate see *Financial and Economic Position of the Bechuanaland Protectorate*, Report of the Commission appointed by the Secretary of State for Dominion Affairs, Cmd. 4368 of 1933.

over-grazing, scarcity of water, cattle-disease and the difficulty of finding markets for cattle.<sup>1</sup> The Dutch custom of dividing the land among the family on the death of the father tends to the creation of non-economic units. European farmers in the Lobatsi district (on the railway north of Mafeking), dismayed at the inadequacy of their small farms for growing families, have asked for grants of Crown lands free or at low rates. The general opinion is that even the settlement of natives from the healthy highlands of crowded Basutoland is impracticable. Areas in which rainfall is adequate even for native farming are already occupied. Cattle-raising on primitive lines in the Kalahari might bring a reversion to complete desert conditions. The three Territories are included in the South African Customs Union, with its high import duties, and their market is in the Union of South Africa, but there are various restrictions on the movement of one of their chief exports, cattle.

The conditions of settlement in South West Africa on Crown lands demand considerable capital, ranging from £1,000 to £2,000 for each farm. Between 1927 and 1934 some 1,261 farms had been allotted.<sup>2</sup> The Administration gave assistance by advances for building a house (up to £300), water supply, and purchase of stock (up to £350). Further, remission of rent for five years might be granted if the settler effected improvements to the value of 10 per cent. of the union-proved value of the holding. But depression in the Territory led to the indefinite suspension of the scheme. Of the European population, estimated in 1934 at 31,600, 7,850 were Germans.<sup>3</sup> Except in limited areas the low rainfall makes arable farming impossible, and the main industries are cattle and sheep raising. The sheep industry provides wool and Astrakhan pelts (caracul).

*Southern Rhodesia* (not strictly to be reckoned as a colonial area, since it is a self-governing colony) is a rich and well-watered country suited to mixed farming, and it produces excellent fruit and tobacco in addition to the usual cereals and sub-tropical crops. Crown lands are available on reasonable conditions of occupation, but settlement schemes were in abeyance during the recent depression. The minimum capital required by a Rhodesian settler is certainly not less than £1,000 and probably nearer £2,000. Farmers depend on scattered groups of native labour in the highlands. Areas below 4,000 feet in the low veld of the Zambezi and the Limpopo basins occupy most of the country, and are unsuitable for white settlers.

<sup>1</sup> For the veterinary and trade restrictions see pp. 14-15 of report cited.

<sup>2</sup> During 1934, 1,138 farms, out of the 1,331 which were in private possession in 1913, were still being developed. The areas of the 193 undeveloped farms was 4,642,555 acres or 14.03 per cent. of the total area. Crown lands were being disposed of for settlement purposes at values ranging from 1s. to 5s. per hectare, and 1,261 farms had been so allotted up to Dec. 31st, 1934 (See *Official Year Book of the Union of South Africa*, No. 16, 1933-4, p. 1014).

<sup>3</sup> In 1915 the country had a German population of about 15,000. After the War many Germans left, but their place was more than filled by the influx of Boers from Angola and immigrants from the Union.

The division of territory for native and European occupation recommended by the Land Commission of 1926 and accepted by the Government provides for settlement by Europeans of over 3 million acres owned and partially occupied by Europeans and about  $17\frac{1}{2}$  million acres reserved for European purchase in the high veld; native reserves, tribal property, mostly in the middle veld, cover about  $21\frac{1}{2}$  million acres, together with surplus reserves in which natives may purchase individual holdings. The scheme aims at reducing the squatter population in the white areas.

The principal African possessions of Portugal are Angola and Mozambique. There has been little colonization in the interior of Portuguese East Africa, but various schemes are under consideration. In Portuguese East Africa the Government has undertaken a white settlement scheme in the valley of Umbeluzi, south of Lourenço Marques, providing a sum of £300,000 for the purpose. A large sugar factory is being established. The factory buys at a reasonable price, varying with the market, sugar-cane produced by either natives, colonists or companies.

In 1935 a scheme for the drainage and irrigation of about 70,000 acres in the Limpopo valley between Guija and Bilene providing for the settlement of 150 Portuguese settler families was under consideration. But the execution of this project seems to have been delayed. Settlement in Portuguese East Africa is complicated by the existing rights of the Mozambique and Nyasa Companies, but the Colonial Charter of 1933 proposes the liquidation of these rights as soon as arrangements can be made with the companies. Little information is available on the possibilities of settlement in any of the Portuguese colonies in Africa. It is stated, however, that the highlands of Angola and Mozambique cover some 80,000 square kilometres and offer opportunities for white settlers, who can work in the fields without danger to health.

Dr. Mair<sup>1</sup> states that the proposals for the transfer of Angola to Germany, mooted in 1913 and now sometimes referred to in connexion with Germany's demand for a mandate, have produced a determination to intensify its Portuguese character by the encouragement of colonization on a large scale. A decree of March 1928 provides for a survey of the territory with a view to the execution of a comprehensive plan of large-scale settlement. The plan provides not only for grants of land and subsidies to individual settlers but for a system of 'collective colonization' in which groups of peasants will be transported from Portugal and settled in villages prepared to receive them. Concessions are granted outside the areas which have been demarcated as zones of colonization. The maximum area is 15,000 hectares on the plateaux of Malanga, Benguella, and Huila, and 30,000 elsewhere. The areas for colonization are divided into zones, each of which is to contain 10 hamlets from 1,000 to 5,000 hectares in extent, and to be inhabited by families drawn from the same region of Portugal.

<sup>1</sup> L. P. Mair, *Native Policies in Africa* (London, 1936), p. 254.



iv. *Tropical Africa*

*East Africa: British Territories.* The highlands of east Africa in the Rhodesias, Tanganyika Territory (with a break in central Tanganyika), Kenya, Abyssinia and Eritrea provide farming lands on which European settlers can live.<sup>1</sup> In all but a very few cases Europeans do the supervisory work, the actual manual labour being done by natives. In southern Africa the white settler could do heavy manual labour; but hardly in the territories now under consideration. The acute question throughout the whole of this area is how far European farming can be extended without seriously prejudicing native interests. In general the principle is adopted of setting aside land, which is thereafter inalienable, for native reserves. In some areas these reserves are already inadequate for the native population, and, with good administration and a consequent higher rate of increase, those areas in which native reserves are still adequate may yet feel the pressure of native population within a measurable time.

In the two Rhodesias, Nyasaland, Tanganyika and Kenya there is a total white population of some 91,000 (about the population of Ipswich), of whom only a comparatively small number are settlers, on an area of over 89,000 square miles settled or ear-marked for white settlement. In Kenya in 1928, with a white population of 16,812 (1931 census), there were only 1,971 Europeans on the land.<sup>2</sup> Lord Lugard points out that settlement of this kind is not colonization in the sense in which Canada and New Zealand were colonized, where the agricultural immigrant cleared his own ground and tilled his own land. The farmer in east Africa, whether a British settler in Kenya or a German settler in Tanganyika or the highlands of Cameroons, is not a land-worker himself but an organizer of native labour.<sup>3</sup> 'Where European enterprise depends for its success—and the greater the success the greater the demand—not on the sole efforts of the colonists . . . but on the labour of a subject race, the elements of true

<sup>1</sup> As regards the further question of the ability of white settlement to take permanent root in the highland areas of eastern and central Africa and to perpetuate itself, opinion is sharply divided both among medical authorities and among settlers themselves. Among the latter some assert confidently that eastern Africa is a white man's country, while others say that to maintain full health and vigour a holiday at home is needed every few years. It has been proved that Europeans can live a healthy life in the highland areas, but prolonged residence is apt in many instances to produce a nervous strain, even though physical fitness is otherwise maintained. There is not yet sufficient experience to judge whether children born in the country maintain the vigour of the stock. Here, again, opinions based on the limited evidence available differ widely (*Report of the Commission on Closer Union of the Dependencies in Eastern and Central Africa*, Cmd. 3234 of 1929, p. 23).

<sup>2</sup> Total area of land under European occupation, 4,996,406; number of occupiers, 1,971; area under crops, 525,421; cultivated but not planted, 67,320. (Kenya, *Report of Agricultural Commission*, Oct. 1929 (Nairobi, 1929), p. 45.)

<sup>3</sup> Some German farms in Tanganyika present an exception to this rule, and proposals are now being made for the settlement of small British mixed farms.

colonization are absent.' There has been no experiment on a large scale<sup>1</sup> to discover whether south European labour could effect real colonization (of settlers working the land themselves) in the African highlands, but the general conditions are against such a development while native labour is available. Yet supervision of native labour cannot offer opportunities for the relief of congested populations. With more intensive methods generally there is obviously room for a larger number of farmers on the land earmarked for European occupation. There is intensive farming in Kenya, and not all farms are large in area. The coffee 'shamba' is commonly not more than 600 acres. But at present there are few openings except for men with considerable capital, £1,000 to £3,000,<sup>2</sup> against £300 estimated for a white settler in Australia. This means that there is only room for one class. Real colonization demands openings for all classes, for white labour as well as white supervision. Whether this is possible is more than doubtful, but it is argued that it has never been tried. No doubt the Italians will experiment in this way on the Abyssinian highlands, and the results will be watched with much interest. The system of large estates affords little provision for the children of settlers, and its permanence would seem to depend on some development of smaller farming. A number of South Germans took up farms in Tanganyika from 1926 onward, and lived practically entirely on the land. They hoped, of course, for better times, but some of them are still working on practically a subsistence basis. It is possible that immigrants from southern Europe, inured to a warm climate and with a low standard of living, might make good on these lines.

But if white colonization in the sense of providing permanent homes for people of all classes, in fact the development of village life, should become a reality, it is clear that much more adequate provision would have to be made in some areas for native reserves. The provision is uneven, and the density of population very varied. The native populations of Kenya have shifted within living memory. But the reserves which they now enjoy are unequally populated, the densities per square mile being as follows:

<sup>1</sup> *The Dual Mandate in British Tropical Africa*, 1929 ed., pp. 41-2.

<sup>2</sup> In Kenya the results of a questionnaire sent out by the Coffee Board show that in 418 estates engaged mainly in the production of coffee and covering 445,936 acres of land of which 62,535 was under coffee, the capital invested in these 418 farms (which produced 75 per cent. of the total crop) was stated to be £4,500,000. This means an average acreage of over 1,000 acres, and an average investment on each coffee estate of over £10,000; investment per acre on this estimate was £9 or £10. If the area actually under coffee is taken the figure is a much higher one. The cost of good planted coffee land reaches high figures. There are, in all, 929 coffee growers representing 45 per cent. of agricultural holdings. In addition to the owners the estates give employment to 50,000 natives (whole time) and 683 Europeans. The industry is paying interest at average rate of 8 per cent., equivalent to a charge of £10 11s. on each ton of coffee produced. The price of Kenya sisal fell from £40 per ton in 1929 to £16 in 1933. (*Report of the Economic Development Committee*, Nairobi, 1935.) But see the computations for farm investment of all kinds on p. 276.

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Kikuyu 283, Masai (a pastoral people) 3, Kamba (with soil on the whole poorer than that of the Masai reserve) 48, Kavirondo 145. Dr. Leakey states that the lands of certain sections of the Kikuyu tribe are to-day populated at a density of about 500 to the square mile, and a large part of their land is populated at over 250 to the square mile, but in other parts the figure is much lower. It is an error to suppose that a man living in a crowded area can remove to some unoccupied district in the area reserved to his tribe. Long before the British occupation every acre of land in south Kikuyu was owned by an individual family. The notion that because a piece of land is bush it is therefore unoccupied is mistaken, since bush is regarded as the best pasture for sheep and goats.<sup>1</sup> On the other hand, the Morris Carter Report<sup>2</sup> speaks of the 'extravagant pretensions' of the Kikuyu tribe.

Neither Uganda (except on a negligible scale) nor the Sudan provides for white settlement. The Sudan has a highly developed system of peasant agriculture. In Uganda the population is dense and the climate is unsuitable for Europeans. Development is more on the lines of west Africa, and the natives have a good 'cash crop' in cotton as the west Africans have a profitable cash crop in cocoa. If Uganda is included we have the following figures of area and population (including the relatively small

TABLE XLI

*Area, Population and Density per square mile in British East Africa*

<i>Country</i>	<i>Area (sq. miles)</i>	<i>Population 1935 estimates</i>	<i>Density per sq. mile</i>
Kenya . . . . .	224,960	3,096,905	14.0
Uganda Protectorate . . . . .	93,981	3,661,099	44.9
Tanganyika Territory . . . . .	366,632	5,138,080	14.8
Somaliland Protectorate . . . . .	68,000	347,383	4.8
Zanzibar Protectorate . . . . .	1,020	234,261	231.9
Nyasaland Protectorate . . . . .	47,949	1,603,257	42.6
Northern Rhodesia . . . . .	290,323	1,377,889	4.8
Total . . . . .	1,092,865	15,458,874	—

Source: *Statistical Abstract of the British Empire, 1936*. These figures include water areas.

numbers of white people and Indians). From these areas may be deducted some 30,000 square miles of water in Tanganyika, Uganda and Nyasaland. Even so the area of British East African territories is nearly as large as India with its 225 inhabitants to the square mile in 1921; allowing for difference of conditions, the disparity is very wide. Population averages only 14 to the square mile, a low figure even when all conditions are taken into account. This low density, however, is nearly twice as great as that

<sup>1</sup> L. S. B. Leakey, *Kenya, Contrasts and Problems* (Methuen, 1936), p. 79.

<sup>2</sup> *Report of the Kenya Land Commission*, Cmd. 4556 of 1934.

of French Tropical Africa, excluding the sparsely populated Sahara. Why then is there congestion in native areas? There are large areas which for various reasons are practically empty and others where tribal land is insufficient, and where it would be still more insufficient but for the ravages of disease and of infant mortality. The past history of these territories, the slave trade and constant wars, explain to some extent the present low density. Whole areas are often abandoned on account of tsetse-fly and malaria.

In British central and east Africa (except in the Sudan, Uganda and Tanganyika) the policy adopted has been, with many variations and modifications, to throw open the maximum area to European colonization and to earmark areas for exclusive native occupation; also to prohibit sales of native lands to immigrants, or of land in the occupation of white men to natives.<sup>1</sup> Complete segregation into areas of black and white occupation is, however, not possible, since the white farmer or other employer requires native labour. In practice the native acquires squatting rights under varying conditions on the white man's land.

The policy of segregation of tribal Africans was developed in the Union of South Africa, and South African policy has to some extent influenced the minds of the white communities in east African territories, though what may be practicable in a long settled country with a large white population may not be permanently practicable within the tropics where the white man will always be in a small minority. Since the white settlers are vocal and the native has inadequate means of expression the case may be weighted to some extent on the side of the white settler. The principle on which this dual arrangement may be carried out has been laid down many times by official declarations. In the White Paper of 1923<sup>2</sup> it was laid down that the interests of the African natives must be paramount, and that if, and when, those interests and the interests of the immigrant races should conflict, the former should prevail. The principle applies to all the east African territories, and to the Sudan. Once immigration of white settlers has been permitted (it has not been permitted in the Sudan) a conflict of interests arises. The immigrants also deserve consideration, and it is equally a duty for the Government to protect their interests provided that their needs do not involve any interference with the development of the natives in the field that has been created for them.<sup>3</sup>

Obviously this is a difficult proposition demanding give and take on both sides. Of all native interests the land question is the most important. The classic declaration of British colonial policy in the nineteenth century,

<sup>1</sup> For a brief summary of the general land policy in British east African territories see *Summary of the Proceedings of the Conference of Governors of the East African Dependencies*, 1926, cited in the *Report on Closer Union of the Dependencies in Eastern and Central Africa*. (Cmd. 3234 of 1929, pp. 332-4.)

<sup>2</sup> Cmd. 1922.

<sup>3</sup> Cmd. 3234 of 1919, pp. 40-1.

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Lord Durham's Report, rightly insists that 'the disposal of public lands in a new country has more influence on the prosperity of the people than any other branch of Government'. It is a paramount consideration in Africa where the native depends on agriculture and where, for many decades to come, industrial development can play only a minor part in economy.

The main lines of policy are illustrated in the following table (the figures are for 1929, and there have since been some alterations):

TABLE XLII

*Land Distribution in Certain British East African Countries*

<i>Land (sq. miles)</i>	<i>Kenya</i>	<i>Uganda</i>	<i>Tangan- yika</i>	<i>Nyasaland</i>	<i>Northern Rhodesia<sup>a</sup></i>
Area alienated to non-natives .	10,511	253	3,430	6,268	18,197
Area included in native reserves .	48,297	No native reserves. 9,713 sq. miles owned in freehold by natives in Buganda and Western Province, and 25 sq. miles in Eastern Province. Remainder available for native occupation	No native reserves. All land is public land, held in trust for natives. <sup>b</sup>	No native reserves. Most of balance of Crown land is to be earmarked for native occupation	107,775
Balance unallotted .	149,512	..	..	..	165,028
Total area of land .	208,320	110,300	373,494	39,964	291,000

<sup>a</sup> The *Annual Colonial Report* for Northern Rhodesia, 1935, gives the total area as 275,000 sq. miles and the area alienated to non-natives as 13,700 sq. miles.

<sup>b</sup> Except the very limited areas alienated to private owners.

Source: *Report of the Commission on Closer Union of the Dependencies in Eastern and Central Africa*, Cmd. 3234 of 1929, p. 315. For more recent figures see L. P. Mair, *Native Policies in Africa*, Appendix I.

The whole question of land tenure in Africa bristles with difficulties. The notion of individual ownership is foreign to African tradition, but often seems to the colonizing Power to be essential to the development of modern methods of cultivation by a native peasantry, quite apart from the alienation of land for settlement by white men. The fundamental question of where the ultimate ownership of land lies—with the tribe, with the

occupier and cultivator, or with the colonizing Powers—has been adjudged differently in different areas.<sup>1</sup> The compromises reached are different in the various territories. Alienation to individual European farmers and concessions of land to mining or agricultural companies are permitted under varying conditions.

In west Africa the policy has been a severe limitation of land alienation, and the development of the country by peasant cultivation. Briefly, the so-called west African policy of the paramountcy of native interests is gaining ground throughout tropical Africa, and this development precludes white colonization on a large scale, even if, as M. de Michelis supposes, climatic difficulties could be overcome. The policy was first developed to its full extent in Nigeria under Lord Lugard and subsequent administrators. Respect for native rights is held to be primary. The whole territory is regarded as native land. No lease or rights on land can be made without the consent of the Governor. In the Northern Provinces the only important rights granted to Europeans are mining licences for tin-ore on the Bauchi plateau and for coal at Udi. In the south rights to cut timber are leased.

In the Gold Coast<sup>2</sup> it was thought that to forbid the natives to sell their land was an infringement of their rights. Alienation for mining purposes, and to some extent for agricultural purposes, consequently took place. Strict regulation of the grant of leases obtains in Sierra Leone and Gambia.

The conditions which have prevented white colonization in British West African territories are operative throughout west and equatorial French Africa. No part of west and equatorial Africa is well suited to European colonization, and the concessions granted in French territory have been for the most part forest concessions. In Gabon, however, about thirty European farmers hold 75,000 hectares of land, of which almost 15,000 hectares are under cultivation, mostly under cocoa.<sup>3</sup>

The only west African districts in which European farmers have a firm hold lie in northern Cameroons, plateau land not dissimilar from that of Northern Nigeria. The total amount of land alienated for plantation purposes in these regions was 115,147 hectares in 1913, under cocoa, bananas and oil-palms. There were two large rubber and trading concessions in middle and north-west Cameroons. In the British mandated territory (a small part of the whole) the plantations formed by the Germans are for the most part again in German hands.

<sup>1</sup> See the conflicting judgements delivered in the Judicial Committee of the Privy Council on the ownership of unalienated lands, in Rhodesia and in Nigeria, cited by Buell, *The Native Problem in Africa*, vol. i, pp. 209-13.

<sup>2</sup> The total area of valid concessions in the colony in 1925 amounted to 2,361 sq. miles, or 2.5 per cent. of the whole colony. Of these, 607 sq. miles were not being worked. Of the remainder, 870 sq. miles were represented by agricultural concessions, all of which appear to have been abandoned during the recent economic depression. Comparable figures for Ashanti are not available.

<sup>3</sup> Buell, *The Native Problem in Africa*, vol. ii, pp. 255-6.

Madagascar also offers a considerable highland area suitable for European settlement. But the Malagasy race, like the Ethiopians and unlike many African races, prefer the highland areas. The greater part of the non-native population is to be found in the towns, but there may be some future for land settlement.

In the Sudan Europeans provide the capital for ginning cotton grown by the natives on their own holdings. French West African policy is based on peasant production, but in equatorial Africa and in Belgian Congo the pursuit of a similar policy is hindered by existing concessions. Though these have been much reduced the holdings of the concessionaires are still considerable. Of the modern concessions granted under the strict rules now prevailing the largest is to the Huileries du Congo Belge. Under the Belgian system the concession area may be large but the owner can develop only such parts of it as cannot be legally claimed to be in native occupation.

The present King of the Belgians, as Duke of Brabant, delivered an important speech in the Senate on the Colonial Estimates (July 25th, 1933), advocating the establishment of a prosperous native peasantry able to acquire property and to enjoy the economic freedom guaranteed them by the Colonial Charter. Subject to existing established interests and for a certain number of years, the Government ought not to grant further concessions in districts capable of agricultural development. It was necessary to reduce to their true proportions the estimates of the producing capacity of tropical lands and of the labour force available for their development. European activities in agriculture should be restricted to those not yet within the scope of the natives, such as scientific research, the purchase of products, processing, transport and export. The colonies which had proved best able to meet the economic disturbances were those in which the development of the land was entrusted mainly to natives, such as Uganda, Nigeria and the Gold Coast.

The reasons noted in this speech for the crisis-resisting power of African countries which rely on native production are obvious. European production in tropical Africa is mainly for export, and success depends on world market conditions, but native production is mainly for subsistence or for a local market, though native production for export is increasing with better facilities provided for the collection and marketing of the produce. The Belgian Congo Report for 1934 states that since the depression the demand for concessions has not been great. The Colonial Government consider that districts with a sparse population suitable for production of selected produce required for the white population are most suitable for European settlement of the small farm type. The chief cultivations to be undertaken by European concerns on a large scale are coffee, cocoa, rubber, elaei palm, quinquina, tea, &c. Agricultural regions with a dense native population should be developed by the native peasant. In peasant districts indigenous planters can produce at low cost, but the wages obtained do not provide the natives with sufficient resources for paying

their taxes. At one time European colonists in the mining districts of High Katanga and High Ituri thought they could compete with native production. Experience has proved the contrary. It is certain that in the near future the native, provided with a suitable agricultural education, will be able to produce high-grade produce of many kinds—palm products, coffee, cocoa and fibres. European colonization should not compete with the interests of the native farmers. No European agricultural installation should be authorized outside the zone reserved to European colonization. Only Europeans connected with processing industries—oil mills, rice mills, coffee works, distilleries, &c.—should be entitled to settle down outside the European zone of colonization.

Major Cayen, rapporteur of the Congo Native Labour Committee, in a lecture before the Belgian Economic Society in December 1935 maintained that there were two alternatives only. Either the native must be educated in a way to provide a native peasantry and a native skilled force under the direction of white instructors, or else all these positions must be reserved for whites, however poor the prospect, the native community being thus reduced to the status of a proletariat without hope of development. To send whites to the Congo to eke out a poverty-stricken existence in competition with natives was to damage the prestige of the white race without securing any corresponding advantage in return.<sup>1</sup>

<sup>1</sup> I.L.I., Feb. 10th, 1936, vol. lvii, no. 6, p. 159.





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**APPENDIX I**  
**AREA, POPULATION AND DENSITY OF POPULATION OF**  
**COLONIAL TERRITORIES**

<i>Territory</i>	<i>Area in square miles</i>	<i>Population latest estimate</i>	<i>Density of population</i>
<b>AFRICA</b>			
<i>International</i>			
Tangier . . . . .	231	80,000	350·0
<i>British</i>			
<i>British West Africa</i>			
Nigeria . . . . .	338,593	19,918,516	58·9
Gold Coast . . . . .	78,802	3,230,550	40·9
Sierra Leone . . . . .	27,925	1,768,480	63·1
Gambia . . . . .	4,069	197,811	48·4
Ascension . . . . .	34	157	4·6
St. Helena . . . . .	47	4,318	91·7
Mauritius and Dependencies . . . . .	809	407,020	503·1
<i>British East Africa</i>			
Kenya . . . . .	219,730	3,096,905	14·0
	+ 5,230 water		
Uganda Protectorate . . . . .	80,371	3,661,099	44·9
	+ 13,610 water		
Nyasaland Protectorate . . . . .	37,596	1,603,257	42·6
	+ 10,353 water		
Somaliland Protectorate <sup>a</sup> . . . . .	68,000	347,383	4·8
Zanzibar Protectorate . . . . .	1,020	234,261	231·9
Northern Rhodesia . . . . .	290,323	1,377,889	4·8
Southern Rhodesia . . . . .	150,344	1,289,000	8·6
<i>South Africa High Commission Territories</i>			
Basutoland . . . . .	11,716	650,000	55·5
Bechuanaland Protectorate . . . . .	275,000	152,983	0·6
Swaziland . . . . .	6,704	127,355	18·8
<i>Condominium</i>			
Anglo-Egyptian Sudan . . . . .	1,008,100	5,728,551	5·7
<i>Belgian</i>			
Belgian Congo . . . . .	920,610	9,400,000	10·2
<i>French</i>			
<i>North Africa</i>			
Algeria . . . . .	722,000	7,234,684 <sup>b</sup>	10·0
Tunis . . . . .	48,520	2,608,313 <sup>b</sup>	53·2
Morocco, French zone . . . . .	166,700	6,226,100 <sup>b</sup>	37·3
<i>Other Africa</i>			
French West Africa . . . . .	1,814,200	14,500,000	8·0
French Equatorial Africa . . . . .	877,000	3,200,000	3·6
Madagascar and Dependencies . . . . .	237,776	3,847,000	16·2
Somali Coast . . . . .	8,106	70,000	8·6
Réunion . . . . .	787	200,000	254·1

<sup>a</sup> Inclusive of estimated native population and foreign population, 1931 census. Native census has never been taken.

<sup>b</sup> From estimate by M. H. Brenier.

<i>Territory</i>	<i>Area in square miles</i>	<i>Population latest estimate</i>	<i>Density of population</i>
<b>AFRICA—cont.</b>			
<i>Spanish</i>			
Northern Africa . . . . .	77	115,000	1,479.0
(Alhuceman, Melilla, Ceuta)			
Morocco, Spanish zone . . . . .	8,106	750,000	92.5
Spanish Guinea . . . . .	10,422	120,000	11.6
Rio de Oro (inc. Ifni) . . . . .	110,010	20,000	0.2
<i>Italian</i>			
Eritrea . . . . .	46,320	620,000	13.4
Somaliland . . . . .	193,000	1,000,000	5.2
Libya . . . . .	684,764	730,000	1.1
<i>Portuguese</i>			
Angola . . . . .	484,816	2,700,000	5.6
Mozambique . . . . .	297,606	4,150,000	13.5
Cape Verde Is. . . . .	1,505	160,000	106.0
Portuguese Guinea . . . . .	13,896	380,000	27.3
St. Tomé and Príncipe . . . . .	347	60,000	172.0
<i>Mandated Territories</i>			
<i>British</i>			
Cameroons . . . . .	34,081	817,616	24.0
Togo . . . . .	13,041	341,254	26.3
Tanganyika . . . . .	345,632	5,138,080	14.8
	+ 21,000 water		
<i>French</i>			
Cameroons . . . . .	165,980	2,300,000	13.9
Togo . . . . .	20,072	762,000	32.0
<i>Belgian</i>			
Ruanda Urundi . . . . .	21,230	3,500,000	164.2
<i>South African</i>			
South West Africa . . . . .	317,725	359,516	1.1
<b>NORTH AMERICA</b>			
<i>Danish</i>			
Greenland (ice-free land) . . . . .	120,820	17,000	0.1
<i>United States</i>			
Alaska . . . . .	586,400	59,278	0.1
<i>French</i>			
St. Pierre and Miquelon . . . . .	77	4,000	51.9
<i>Newfoundland</i>			
Labrador . . . . .	232,400	4,716	0.02
<b>CARIBBEAN</b>			
<i>British</i>			
Bahamas . . . . .	4,404	64,982	14.6
Barbados . . . . .	166	184,912	1,155.0
Bermuda . . . . .	19	30,104	1,580.0
Jamaica . . . . .	4,450	1,121,823	252.5
Leeward Islands <sup>a</sup> . . . . .	714	138,200	193.7
Grenada . . . . .	133	85,626	657.5
St. Lucia . . . . .	233	64,959	276.5
St. Vincent and Grenadines . . . . .	150	55,219	367.0
Trinidad and Tobago . . . . .	1,980	439,994	222.2
British Honduras . . . . .	8,598	55,448	6.5
Cayman Islands . . . . .	104	6,156	59.1
Turks and Caicos Is. . . . .	166	5,300	32.0

<sup>a</sup> Includes Antigua, Barbuda, Dominica, Montserrat, Virgin Islands, St. Kitts and Nevis.

<i>Territory</i>	<i>Area in square miles</i>	<i>Population latest estimate</i>	<i>Density of population</i>
<i>French</i>			
Guadeloupe . . . . .	695	270,000	388.5
Martinique . . . . .	386	240,000	621.7
<i>Dutch</i>			
Curaçao . . . . .	386	83,000	215.0
<i>United States</i>			
Virgin Islands . . . . .	133	22,000	165.0
Puerto Rico . . . . .	3,435	1,543,913	449.0
Panama Canal Zone . . . . .	549	39,467	78.8
<b>SOUTH AMERICA</b>			
<i>British</i>			
Falkland Is. and Dep. . . . .	6,068	3,180	0.5
British Guiana . . . . .	89,480	328,219	3.6
<i>French</i>			
French Guiana . . . . .	7,720	22,000	2.5
<i>Dutch</i>			
Surinam . . . . .	57,900	164,000	2.8
<b>EUROPE</b>			
<i>British</i>			
Gibraltar . . . . .	2	16,992	8,496.0
Malta . . . . .	122	256,140	1,925.9
<i>Norwegian</i>			
Spitzbergen . . . . .	24,294	..	..
<b>ASIA</b>			
<i>British</i>			
Cyprus . . . . .	3,584	365,372	101.9
Aden and Perim . . . . .	80	50,809	635.1
Socotra . . . . .	1,382	12,000	86.7
North Borneo . . . . .	29,347	284,813	9.8
Brunei . . . . .	2,220	33,642	15.3
Sarawak . . . . .	50,000	475,000	9.5
Ceylon . . . . .	25,332	5,617,000	222.0
Straits Settlements <sup>a</sup> . . . . .	1,356	1,143,792	843.5
Federated Malay States <sup>b</sup> . . . . .	27,540	1,813,891	65.7
Unfederated Malay States:			
Johore . . . . .	7,330	538,673	73.4
Kedah . . . . .	3,640	458,163	126.1
Kelantan . . . . .	5,750	381,216	66.3
Perlis . . . . .	310	51,614	166.5
Trengganu . . . . .	5,050	190,459	37.5
Hong Kong . . . . .	391	966,341	2,493.2
Seychelles . . . . .	156	29,803	191.0
<i>French</i>			
French India . . . . .	193	300,000	1,554.4
Indo-China . . . . .	285,000	22,300,000	78.2
<i>Dutch</i>			
Netherlands India . . . . .	734,944	64,450,000	87.9
<i>Italian</i>			
Aegean Is. . . . .	765	135,000	176.0
<i>United States</i>			
Philippines . . . . .	114,256	13,055,000	114.1

<sup>a</sup> Including Province Wellesley, Malacca, Penang, Singapore, Christmas Island, Labuan and the Cocos Islands.

<sup>b</sup> Comprised of the four States of Perak, Selangor, Negri Sembilan and Pahang.

<i>Territory</i>	<i>Area in square miles</i>	<i>Population latest estimate</i>	<i>Density of population</i>
<b>ASIA—cont.</b>			
<i>Portuguese</i>			
Portuguese India . . . . .	1,467	600,000	408·0
Macao . . . . .	4	170,000	42,500·0
Timor . . . . .	7,334	500,000	68·1
<i>Japanese</i>			
Korea . . . . .	85,306	22,600,000	264·9
Formosa . . . . .	13,896	5,110,000	367·7
Kwantung . . . . .	1,428	1,500,000	1,050·4
<i>Mandated Territories</i>			
<i>British</i>			
Palestine . . . . .	10,358	1,241,648 <sup>a</sup>	120·1
Transjordan . . . . .	34,750	320,000	9·2
<i>French</i>			
Syria and Lebanon . . . . .	67,936	3,250,000	47·9
<b>PACIFIC</b>			
<i>British</i>			
Fiji . . . . .	7,083	202,052	28·5
Gilbert and Ellice Is. . . . .	180	34,085	189·4
Solomon Is. . . . .	11,458	94,066	8·2
Tonga . . . . .	250	33,332	133·2
<i>Australian</i>			
Norfolk Is. . . . .	15	1,198	80·0
Papua . . . . .	90,540	300,000	3·3
Australian Antarctic Territory . . . . .	..	..	..
<i>New Zealand</i>			
Tokelau or Union Is. . . . .	..	1,179	..
Ross Dep. . . . .	..	..	..
Cook Is. . . . .	109	12,208	111·1
<i>Anglo-French Condominium</i>			
New Hebrides . . . . .	5,700	60,000	10·6
<i>French</i>			
French Oceania . . . . .	1,544	40,000	25·9
New Caledonia and Dep. . . . .	7,334	60,000	8·2
<i>United States</i>			
Guam . . . . .	206	18,509	89·8
Hawaii . . . . .	6,407	368,336	55·9
American Samoa . . . . .	76	10,055	132·0
<i>Mandated Territories</i>			
<i>British Empire</i>			
Nauru . . . . .	8	2,696	337·0
<i>Australian</i>			
New Guinea . . . . .	93,000	484,374	52·0
<i>New Zealand</i>			
Western Samoa . . . . .	1,133	54,363	47·8
<i>Japan</i>			
Caroline, Marianne and Marshall Is. . . . .	811	70,000	86·1

<sup>a</sup> Exclusive of nomadic Bedouin tribes.

Sources: For British Territories: *Statistical Abstract of the British Empire*, 1935; H.M.S.O., 1936, Cmd. 5298; and *The Colonial Office and Dominions Office List*, 1936. For United States Territories, *Statistical Abstract of the United States*, 1935. For all other territories, except where otherwise stated, *The Statistical Year-book of the League of Nations*, 1935-6.

## APPENDIX II

### CONFLICT OVER DELAGOA BAY AND THE FUTURE OF THE PORTUGUESE EMPIRE IN THE NINETIES

THE Portuguese colonies of Angola and Mozambique control important main lines of communication with the interior. Lourenço Marques on Delagoa Bay is the nearest port for Johannesburg and Pretoria (57 miles in Portuguese territory and 290 miles into Pretoria). The port of Beira serves Southern Rhodesia, Northern Rhodesia, Nyasaland and to some extent the Katanga district. On the west the Benguela railway from Lobito Bay runs to the Katanga and there links up with the Rhodesian system. In the nineties this network did not exist, but the railway from Delagoa Bay to the Transvaal was already built. An American concessionaire, Edward McMurdo, formed a British company to build the railway. The Transvaal Republic feared British control of the railway, which would put her foreign relations under effective supervision. Portugal, which had in 1884 made contradictory professions to McMurdo and to Kruger, was persuaded to rescind the concession and take over the line on June 26th, 1889, and concluded an arrangement with the Transvaal fixing the rates for the whole line from the Bay to Pretoria and Johannesburg. Redress was demanded by the British Government, and the United States Government made claims on behalf of McMurdo's heirs. The dispute was submitted to arbitration by Swiss jurists at Berne, but the decision was delayed, and was finally settled in 1900, when an award was given that Portugal should pay an indemnity of nearly a million pounds to the shareholders. Pending this decision, there was much speculation as to the ability of Portugal to pay, as to the pressure which might be exerted by those who should make her the necessary loan, and as to whether she would be willing to relinquish some colonial rights as a consideration. The question was made more urgent by the strained relations between England and the Transvaal, and by the importation of arms by this route to Pretoria in preparation for expected hostilities. German sympathies were with the Transvaal, and England, owing to the dispute, was unpopular in Lisbon.

Germany had taken an interest in the proceedings at an early date, and was said to be negotiating for the purchase of the railway. The British Government, however, made effective representations in Lisbon that alienation could not, in the interests of the creditors, be permitted pending the arbitration settlement. In September 1894, during a native revolt at Lourenço Marques, the British consul, without consulting the Portuguese authorities, arranged for the landing of 20 bluejackets to protect the Consulate. His action was disowned by the British Government, in reply to a protest from Lisbon. H.M. Government in their turn secured the prevention of the enrolment of volunteers for the Transvaal in Portuguese territory. The German Government saw in the action of the British Consul evidence of an attempt to interfere with Portuguese sovereignty and, in October, they sent two German warships to Delagoa Bay to safeguard 'the large German interests involved, both on the coast and in the Transvaal'.<sup>1</sup> On January 6th, 1896, William II minuted: 'The loss or

<sup>1</sup> See a note by Mr. J. A. C. Tilley in *British Documents*, vol. i, pp. 323-4.



failure to obtain Delagoa will be difficult to make good and be bitterly regretted by us some day.<sup>1</sup>

In May 1897 Chamberlain suggested to the Portuguese ambassador a guarantee by Great Britain of Portugal's African possessions in return for an agreement that there should be no access to the Transvaal from the sea except by the existing port and railway of Lourenço Marques, both of which should be worked by an Anglo-Portuguese company which would provide money for improvements and for the payment of the Berne Award (not then fixed), the two Governments to be represented on the Board of Directors. No concessions were to be granted within a specified radius of Lourenço Marques without the British Government's concurrence. He further suggested a Portuguese loan in London raised on the security of the Portuguese possessions.<sup>2</sup>

This would indirectly have given Great Britain control over the future of the Portuguese colonies, and Portugal, convinced that she would have support from France and Germany, made a counter-suggestion through M. de Soveral, the Portuguese ambassador in London, which was not acceptable to the British Government. The negotiations were eventually dropped, since Lisbon could not consent to the derogation of sovereignty involved in binding herself not to give concessions. By 1898 circumstances were altered, and the British Foreign Office suggested a secret interchange of notes, guaranteeing Portuguese territory in return for permission, in the event of war with the Transvaal, for a temporary occupation of Lourenço Marques to prevent the supply of arms and personnel to the Transvaal and to secure an avenue of attack if others should be closed.<sup>3</sup> Milner's correspondence contains repeated statements of the urgency of securing the 'back door' into the Transvaal.<sup>4</sup>

A conversation between Lord Salisbury and the German ambassador, Count Hatzfeldt, on June 21st, 1898, showed that Germany feared British action in the matter, and the German ambassador in Lisbon called upon the King and informed him that the Emperor William II could not remain on friendly terms with Portugal if the negotiations in London between M. de Soveral and the British Government were pursued without due regard to the legitimate interests of Germany in her African colonies.<sup>5</sup> England had already, by a treaty ratified on July 3rd, 1891, pre-emptive rights (if the Portuguese colonies should come into the market) over the east coast from Natal to the Zambesi, and by a treaty of 1661 was bound to defend Portugal. The German ambassador in London now pressed for a settlement between Germany and Great Britain for the division of the Portuguese colonies in case they came into the market.

In the end Portugal determined to dispense with the desired loan, and, in spite of the incredulity of the various foreign offices, she succeeded. On August 30th, 1898, a convention was concluded between Great Britain and Germany for action in the eventuality of Portugal's requiring financial assistance from some foreign Power or Powers and on the nature of the security based on her colonial territory to be demanded.<sup>6</sup> This document was accompa-

<sup>1</sup> Brandenburg, *From Bismarck to the World War*, p. 86.

<sup>2</sup> *British Documents on the Origins of the War, 1898-1914*, vol. i, p. 45. Memorandum by Mr. Bertie.

<sup>3</sup> See the Bertie memorandum already cited.

<sup>4</sup> *The Milner Papers*, passim.

<sup>5</sup> *British Documents*, vol. i, p. 49; and in *Die Grosse Politik*, xiv, pt. 1, pp. 261-4.

<sup>6</sup> See *British Documents*, vol. i, p. 87.

nied by a secret convention to provide for their allotment, if, unfortunately, it should not be found possible to maintain the integrity of the African possessions of Portugal south of the Equator and of Timor. The Convention provided for their division into British and German spheres of interest, and gave an assurance that there would be no political or other intervention henceforward in the spheres defined.<sup>1</sup> A further secret note provided for questions of delimitation.<sup>2</sup> The signature of these conventions meant that Germany would not interfere in Delagoa Bay. Chamberlain wrote to Balfour: 'The only advantage to us is the assurance of Germany's abstinence from further intervention in Delagoa Bay and the Transvaal—in other words, we pay blackmail to Germany to induce her not to interfere where she has no right of interference.'<sup>3</sup>

The conventions remained inoperative, because the occasion did not arise, but M. de Soveral was aware of their existence.<sup>4</sup> In any case, little more than a year after the signature of the Anglo-German Conventions, on October 14th, 1899, an Anglo-Portuguese Secret Declaration was signed by Salisbury and de Soveral renewing the earlier treaties of friendship, in 1642, 1661, and 1873, and reiterating the promise of the 1661 Treaty that England would defend and protect 'all conquests or colonies' belonging to Portugal.<sup>5</sup> In return Portugal promised 'not to permit, after the declaration of war between Great Britain and the South African Republic, or during the continuance of the war, the importation or passage of arms, and of munitions of war destined for the latter'.<sup>6</sup> Nor would she proclaim neutrality (which would have prevented the use of the port by the British).

The so-called 'Windsor Treaty' with Portugal remained unknown to Germany at the time, though the existence of an understanding was known. It did not conflict with the letter of the Anglo-German conventions, since these were only to be effective in a hypothetical case if 'unfortunately' the integrity of the Portuguese possessions could not be maintained. But this event had been regarded as extremely probable. It was not officially communicated to the German Government until the years immediately before the War, when the question of the ultimate destiny of the Portuguese colonies was again raised.<sup>7</sup>

The proposals put forward for a general colonial agreement between England and Germany in 1913 included some modifications of the secret conventions of 1898. Sir E. Grey stipulated for the publication of the treaties, and the matter was deferred and not concluded when the War broke out.<sup>8</sup>

But in the meantime many difficulties arose over the railway, which became more and more important as South African trade increased after the Peace of Vereeniging.

<sup>1</sup> *British Documents*, vol. i, p. 73.

<sup>2</sup> *Op cit.*, pp. 74-5.

<sup>3</sup> J. L. Garvin, *Life of Joseph Chamberlain*, vol. iii, p. 315.

<sup>4</sup> See Lord Grey, *Twenty-five Years*, 1925, vol. i, p. 45.

<sup>5</sup> *British Documents*, vol. i, pp. 93-5.

<sup>6</sup> In this Portugal seems to have promised more than she was able to perform.

<sup>7</sup> See Metternich to Bethmann-Hollweg, Dec. 20th, 1911 (p. 55), and June 4th, 1912 (p. 133); also Kühlmann to Bethmann-Hollweg, Oct. 16th, 1912. English translation in *German Diplomatic Documents, 1871-1914*, vol. iv, p. 142.

<sup>8</sup> See Brandenburg, *op. cit.*, pp. 466-7.

### APPENDIX III

#### GERMANS IN MANDATED TERRITORIES

GERMAN settlers began to return to the former German territories under British mandate a few years after the War. In British Cameroons all the plantations were in German hands before the transfer. Major Ruxton stated before the Permanent Mandates Commission in 1925 (vii. 37) that the estates put up to auction had been sold and that the planters were Germans, with one exception, so far as he was aware. In Tanganyika the Germans were enabled to purchase land held by the ex-enemy property custodian from 1925 onwards. In October 1923 the Prime Minister of the Union of South Africa came to an agreement with representatives of the German Government, which included provisions that 'the policy of the Union Government is to accept the Germans of South Africa as part of the people with the same privileges and the same responsibilities as the other citizens', and that 'the immigration laws in force in the Union of South Africa [under the Immigration Quota Act, 1930, Germany is one of the scheduled countries against which there is no discrimination] shall apply to South West Africa. Germans who conform to the provisions of this Act shall be welcome.' The agreement also recognized 'the desirability of the appointment of one German member of the Land Board as well as on the Board of the Land and Agricultural Bank in South West Africa, and the obligation of the Administration of South West Africa to continue payment of pensions to ex-employees of the German Government who continued to reside in the territory'.<sup>1</sup> The South West Africa Naturalization Act No. 3 of 1924 provided that every adult European, who, being a subject of any of the late enemy powers, was on January 1st, 1924, or at any time thereafter before September 15th, 1924, domiciled in the territory, should at the expiration of six months after the latter date be deemed to have become a naturalized British subject, unless within that period he signed a declaration that he was not desirous of being naturalized. Out of a total of 3,489 persons eligible, 3,261 accepted British nationality.<sup>2</sup>

In 1934 the estimated European population of the Territory of South West Africa was 31,600. Of 411 Germans entering the Territory by sea during 1933, 96 were 'assuming domicile' and 225 'resuming domicile'. During the same year 562 Germans left the territory by sea, 143 of whom were 'relinquishing domicile'.<sup>3</sup>

An Ordinance entitled 'The Germans' Admission Ordinance 1927' (No. 35 of 1927) in New Guinea provides for the repeal of the Germans' Exclusion Ordinance, 1920. Under the 1927 measure, persons of German nationality who before May 9th, 1921, had resided in the Territory might not enter the Territory without having first obtained the consent in writing of the Minister.<sup>4</sup> This restriction was removed by the Germans Admission Ordinance Repeal Ordinance in 1931, and since that date there has been no discrimination.

<sup>1</sup> *Report to the Mandates Commission for 1923.*

<sup>2</sup> *Official Year Book for the Union of South Africa*, No. 16, p. 1003.

<sup>3</sup> *Report to the Mandates Commission for 1934.*

<sup>4</sup> *Commonwealth of Australia Gazette* (Canberra), Nov. 5th, 1927.

## APPENDIX IV

### INTERNATIONAL ADMINISTRATION

SOME thinkers would go beyond any of the suggestions made in Chapters IV and V for the appeasement of colonial rivalries, and have proposed a complete internationalization of colonial administrations. They think that the national ownership of colonial territories is incompatible with permanent peace and that complete internationalization is required, so that all States may share, not only in the economic advantages to be derived from colonial dominion, but in the political responsibilities and the prestige attached to colonial administration. Its advocates say that the brief experiments in direct League administration in Memel (1920-3), in the Saar (1920-34), and in the Leticia area (1933-4) show that international administration can be successful, and that the success of the Permanent Mandates Commission suggests that the step from supervision of agreements to direct administration need not be difficult. There are two important nodal points, Tangier and Shanghai, which have long had international administrations, accepted because the Powers were not content to see any one of themselves established there in sole authority. The circumstances of both are exceptional, and the working of a régime suited to an international port provides no ground to forecast the success of a similar régime in any large colonial area. Danzig is a hybrid case, but not an encouraging one.

The example of the Saar is by far the most important of the instances of League administration, because the administration functioned long enough to permit the formation of a judgement on its success, and because of the extremely thorny problems involved. Dr. A. J. Toynbee, in the *Survey of International Affairs, 1934*, ascribed the success of the administration under circumstances of great difficulty, and the harmony within the Commission itself, composed of men differing in creed and in national outlook, partly to the circumstance that they had to administer a written constitution, the interpretation of which was a legal, not a personal matter. Similarly the International Settlement at Shanghai has a rigid constitution which can only be amended by international negotiation.<sup>1</sup>

International administration was mooted in respect of the German and Turkish colonies at the time of the Peace Conference. It was rejected in favour of the mandates system, which places the administrative machine solely in the hands of the mandatory on the grounds stated by Lord Lugard in *The Dual Mandate* (p. 53). International administration 'would assuredly give rise to friction, would paralyse all initiative and progress by the dead hand of a super-bureaucracy devoid of national sentiment and stifling to all patriotism, and would be very disadvantageous to the countries concerned'.

It may be that an advance in internationalism will make possible the proposal for the complete abandonment of national sovereignty, but the present phase of political thinking gives cause for doubt. Internationalism is advocated not mainly in the interests of the native races, but with the idea of giving economic equality to outside Powers.

<sup>1</sup> For an examination of these cases see special articles in the *Manchester Guardian*, May 6th and 9th, 1936.

## APPENDIX V

### HIGH COMMISSION TERRITORIES IN SOUTH AFRICA

THREE native territories under British rule are geographically closely connected with the Union of South Africa: the colony of Basutoland and the Swaziland and Bechuanaland Protectorates, covering an area of 300,000 square miles, of which Bechuanaland accounts for 275,000, with a population of less than a million Bantus and a few thousand Europeans and coloured people. A glance at the map will show that Basutoland is a complete enclave, that Swaziland has only its eastern frontier on non-Union territory, but that Bechuanaland may be regarded as a hinterland to the Union, though some part of the territory is more closely related to Southern Rhodesia. Though its western frontier on the map borders on the mandated territory of South West Africa, there is in fact a well-marked and wide barrier in the shape of the Kalahari Desert. The geographical situation makes it clear that the economic prosperity of the territories depends on the Union, which already controls their customs. The young men who want work outside the territories must find it in the Union, which is also the outlet for exports from the territories. The Union regards unity in native policy throughout the South African area as of primary importance. Moreover, the question of finding native reserves for an expanding Bantu population is an important one, and, although Swaziland and Basutoland are already 'saturated', population in the Bechuanaland Protectorate is very thin and scientific development of the region might make it capable of carrying a larger population.

The obstacles to transfer to the Union are various; there is only one of radical importance, the fear that the Union might display a less liberal native policy than that to which the British Government is pledged.

All these territories have been under direct control from London since the last century, and the South Africa Act, 1909, left their status unaltered, though the expectation that at some future date they would come under the government of the Union was made clear by Section 151 of the Act, which provides that the King in Council may, on addresses from both Houses of the Union Parliament, transfer the government of them to the Union, provision being given to the Section by a Schedule to the Act which prescribes certain safeguards if and when the transfer is accomplished. These safeguards provide certain guarantees of native rights, and an important legal constitutional reservation empowering the Crown to disallow laws concerning these rights.

A constitutional problem as to the validity of these safeguards is raised by the interpretation of the Status of the Union Act, 1934, adopted by the Union to implement the Statute of Westminster. This question was discussed in the Memorandum prepared by the Parliamentary Committee for studying the question of the South African Protectorates, August 1934.<sup>1</sup> The conclusion appears to be that the Status of the Union Act, although it abolished the powers of disallowance and reservation for most matters, preserves them in

<sup>1</sup> Published as a supplement to the *Journal of the African Society*, vol. xxiii, no. cxxxiii (Oct. 1934).

so far as they apply to the transfer of the territories, but that the Union Parliament could legally adopt subsequent legislation abolishing disallowance in this matter also. Right of appeal to the Crown would be transferred to the Crown in South Africa, that is to say, to the Government of the Union. The transfer once made, the safeguarding of native rights would rest ultimately on the good sense of the Union Parliament. The Union Government have stated, however, that they would consider themselves bound to observe the conditions set forth in the Schedule to the Act of Union. It has been suggested that, in the event of transfer, these safeguards should be embodied in a permanent agreement between the United Kingdom and the Union.

A request for transfer was made by the Union Government in 1925, but was not pressed, and again in 1933 and in 1935. The reply given in 1935 is printed in Cmd. 4948 of 1935. It is to the effect that the British Government were pledged to consult the native and European inhabitants of the territories before transfer and to place the question before Parliament. Effective elucidation of native views was difficult, but such evidence as was forthcoming showed opposition to transfer. Suggestions were made for harmonizing Imperial and Union policies in such a way that 'the native population should feel that the Union Government are working in concert with the local administrations with a real and generous desire to develop and improve conditions in the Territories'. This proposition was accepted by the Union Government, but the detailed suggestions have still to be formulated.<sup>1</sup>

The civil service for the three territories, which is distinct from the British Colonial Service, is recruited partly in South Africa. The Select Parliamentary Committee of both Houses of Parliament, which inquired into the question in 1934, under the presidency of Lord Selborne, expressed the opinion that it was unreasonable to ask the inhabitants for an opinion while native policy in the Union was still in doubt.<sup>2</sup> Since that time the Union has adopted the Native Representation Bill and the Native Land and Trust Bill, which together make a coherent native policy, but not one which is likely to be wholly acceptable to the natives of the territories.

The whole case for and against transfer has been reviewed by Mr. Lionel Curtis (the case for transfer) and Miss Margery Perham (the case for delay) in *The Protectorates of South Africa, The Question of Their Transfer to the Union* (Oxford University Press, 1934), consisting in part of letters addressed by the authors to *The Times*. Miss Perham concluded by arguing for delay until the protectorates can be handed over in a better administrative condition than that revealed by Sir Alan Pim's reports, and that the Union should be invited to assist in the work of reconstruction.

'The time might come when the Protectorates reformed by us in close communication with the Union and ultimately taken over in an atmosphere of goodwill by picked men of the Native Affairs Department would become examples of native reserves at their best, and stimulating schools of native administration.'<sup>3</sup>

<sup>1</sup> In the 1936 Budget the Union included a sum of £35,000 for the assistance of the territories, but the Bamangwato tribe of Bechuanaland objected to its acceptance.

<sup>2</sup> Report in *The Times*, Aug. 15th, 1934.

<sup>3</sup> Perham and Curtis, *The Protectorates of South Africa*, p. 115.

## APPENDIX VI

### RECENT NATIVE LEGISLATION IN THE UNION OF SOUTH AFRICA

In the Union of South Africa a parliamentary Joint Committee on Native Policy reported in 1935, and recommended legislation on Native Representation and Native Land.

At the time of the passage of the Union of South Africa Act through the United Kingdom Parliament, speakers regretted the exclusion of natives outside the Cape Province from political rights. The Government at that time assured the house that the Cape franchise was secure, since it was impossible 'to find a single instance when a great body of persons like this, a whole race, has been disfranchised in democratic times'. By the Natives Representation Act (1936) the 10,000-odd natives on the electoral roll in the Cape Province are removed to a separate roll, the province being divided for the purpose into three constituencies, each returning one member to the House of Assembly; the right of sending a native representative to the Provincial Council was withdrawn, though they may still elect one European. The Act further provides for the establishment of a Native Representative Council with advisory functions, but no financial responsibility. The Council is to consist of 22 members, 12 of whom are to be elected by electoral colleges in the four electoral districts into which the Union is to be divided. The electoral colleges are to be composed of chiefs and representatives of native councils. Each of them will elect three members to the Native Representative Council, which is presided over by the Secretary for Native Affairs. The Bill was passed on April 7th, 1936.

The companion Act is the Native Trust and Land Act providing for the creation of a trust to acquire gradually land to a maximum of 24,000 square miles in addition to the existing reserves of 35,676 square miles, to assist natives to acquire land and to promote the agricultural and pastoral interests of the reserves. It is hoped under the latter Act to effect a gradual removal of unemployed natives from European areas, including 'squatters' who remain on farms without giving service. In 1934 it was estimated that nearly 2 million natives lived outside the areas scheduled for native occupation.

The above Acts introduce new and complicated definitions of the term 'native', the general effect of which is to strengthen the obstacles preventing a full-blooded native from attaining coloured or European status.

The Franchise Law of the Cape of Good Hope (now the Cape Province) gave the franchise to qualified natives. In the other States afterwards incorporated in the Union they had never enjoyed the franchise, though it was theoretically open to certain natives in Natal. The opposition to the new Act was based on the conviction that 'the whole question of status was implied in the common franchise. Under the proposed differentiated franchise, in which native representation was fixed and final, every increase in European representation would reduce the effectiveness of native representation. . . . Disruptive influences would be fostered by a differentiated franchise, whereas a common citizenship would save the land from such influences.'<sup>1</sup>

<sup>1</sup> D. Rheinallt Jones, *Report of the European-Bantu Conference* (Capetown), Feb. 6th-8th, 1929, p. 47.

## APPENDIX VII

### REGULATION OF ASSISTED EMIGRATION FROM INDIA

THE Indian Emigration Act of 1922 regulates assisted Indian emigration, and under it stringent rules are laid down for the protection of migrant workers, whether assisted or under contract. The Act provides for the appointment of protectors of emigrants by Indian provincial governments, and proposes the appointment of an Emigration Commissioner by the Government of the country of immigration for the provision of information to intending immigrants. The protection of immigrants is assured in respect of conditions of transport, health inspection and conditions in the country of immigration, including facilities for education, religious freedom and the chances of land for settlement. The rules prohibit the assisted emigration of persons under eighteen who are unaccompanied by a parent or guardian and of women unaccompanied by an adult relative. Provision is also made to secure that the number of unmarried men or men unaccompanied by their wives shall not exceed a certain proportion of the assisted emigrants.

The Act prohibits emigration of unskilled workers except to such countries and on such conditions as the Governor in Council may specify. The rules are on the whole less stringent for skilled workers, but the assisted emigration of unskilled labourers on the land or in industry is unlawful unless approved by both chambers of the Indian legislature. Ceylon and Malaya are the only countries to which unskilled workers are assisted to emigrate under the Act, and during the crisis movement to Malaya temporarily ceased, and there was a heavy fall in the movement to Ceylon, where the tea-plantations are mainly worked with Indian labour. Special rules governing the conditions of labour of assisted emigrants in Ceylon and Malaya were agreed between the Governments, including the provision of standard rates of wages and of the necessary social services.<sup>1</sup> An Indian delegation, headed by Mr. Sastri, went to Malaya at the end of 1936 to review conditions of work, wages, hours of work and political status, with a view to deciding whether recruitment should be permitted to continue.

Some Indian immigrants remain in Ceylon, where there is already a considerable settled community. In a recent report prepared by Mr. K. G. Sivaswamy on the condition of Indian emigrant labour in Ceylon, it is stated that the Ceylon Government will probably give due consideration to Indians under the Land Alienation Act, provided there is no question of land speculation, and Indian workers desire to settle as small-holders and cultivators. The position in Ceylon before the crisis is described in a report by the Right Hon. W. G. A. Ormsby-Gore, M.P., on his visit to Malaya, Ceylon and Java during the year 1928.<sup>2</sup> In 1927 the number of Indians entering Ceylon, practically all for labour on the estates, was 284,293. It was estimated at that time that the 'real' wages earned by Indian labourers in Ceylon were approximately 100 per cent. higher than their earnings as rural labourers in southern India.

After the Indian Emigration Act of 1922 emigration to Mauritius, which had ceased since the prohibition of indentured emigration in 1910, was resumed on a restricted scale.

<sup>1</sup> Note communicated by the India Office to the *Monthly Record of Migration*, I.L.O., vol. iii, no. 3, March 1928.

<sup>2</sup> Cmd. 3235 of 1928, p. 78.



enslavement in inadequately administered areas, and that there were forms of social status which might be described as serfdom in which human beings were not free. Further particulars are given in the Report adopted at the session of April 1935,<sup>1</sup> notably a long memorandum from the British Government on quasi-slave conditions, including a detailed statement on the Mu-Tsai system in Hong Kong and Malaya, and the Ordinances in the colonies and protectorates concerned for the protection of women and girls. The practice of Mu-Tsai in China is described in a memorandum by Sir George Maxwell, attached to the Report.

*Control of the Liquor Trade.* The Brussels Act of 1890 provided (Arts. XCI and XCII) certain restrictions on the importation, manufacture and sale of spirits in Africa between lat. 20° N. and 22° S. The Powers were to prohibit importation in areas where, whether on account of religious beliefs or for other reasons, the use of distilled liquor had not yet been developed, and to impose import duties on spirituous liquors in all their tropical African colonies. The prohibited zones were limited, and the liquor trade continued to flourish, especially in West Africa. A new liquor convention was signed at St. Germain in September 1919, maintaining the prohibited zones, fixing a minimum import duty on all distilled liquors which might lawfully be imported, and prohibiting the import of 'trade spirits' and distilled beverages with constituents recognized as dangerous. For various reasons this agreement has proved inadequate in its working. Effective restrictions have always been maintained in East Africa; they are maintained in mandated territories, in accordance with the special instruction contained in the mandates.<sup>2</sup> One of the obstacles to effective prohibition is the reluctance of colonial administrations to relinquish the revenues derived from the high duties. Enforcement is easier in Moslem areas than in pagan and Christian districts. The figures of consumption of alcoholic liquors given by Mr. Buell for 1924 and 1925 show much higher figures for Gold Coast than for any other West African territory. The British Empire, France, Belgium, Japan and Portugal have ratified the St. Germain Convention, and send the necessary reports to the Central Office for the Control of the Liquor Traffic in Africa, established in Brussels and reporting to the League, but the definition of terms is incomplete and the duties imposed differ.<sup>3</sup>

*Opium and other Dangerous Drugs.* The two Opium Conventions signed at Geneva in 1924 and 1925, the International Opium Convention of 1912, and the Convention for the Limitation of the Manufacture and Regulations of the Distribution of Narcotic Drugs signed at Geneva on July 13th, 1931, are not confined to colonial areas, but their application, in so far as opium-smoking is concerned, is important for Indo-China, the French Establishments in India, Ceylon, Malaya, Hong Kong, Burma, the Japanese Empire and Netherlands India. All these conventions received the necessary ratifications, and the Supervisory Body appointed by the League can fix in advance for a year the world programme of narcotic drugs (manufacture and international trade), and provides complete international machinery for control. Nevertheless, the difficulties of preventing undue use of narcotics are extremely serious, because of the small bulk of parcels.

For the Convention on Forced Labour see Chapter X on Labour and Development.

<sup>1</sup> League of Nations, VI. B. I, Slavery, 1935.

<sup>2</sup> See Buell, *The Native Problem in Africa*, vol. ii, pp. 942-9, for a review of the whole position.

<sup>3</sup> For the unsatisfactory working of the scheme see P.M.C., *Minutes*, xiii, pp. 208-14.

## APPENDIX IX

### TRANSVAAL-MOZAMBIQUE CONVENTION

AN example of co-operation for economic purposes between neighbouring African territories is provided by the Convention<sup>1</sup> of 1909 between the Transvaal and the Portuguese Government for the development of import and export traffic between the Transvaal and the port of Lourenço Marques. The Convention<sup>2</sup> provided for the recruitment of native labour in Portuguese territory for the Transvaal gold-mines, and for the adjustment of railway rates so that 50 to 55 per cent. of sea-borne goods traffic to and from the 'competitive area' (i.e. the industrial area round Johannesburg) should pass through the port of Lourenço Marques. The Convention was to remain in force for ten years, after which it might be terminated by either party on one year's notice. It was denounced by the Union Government on April 1st, 1922, and lapsed on March 31st, 1923.<sup>3</sup>

On September 11th, 1928, a new Union-Mozambique Convention on similar lines to that of 1909 came into effect.<sup>4</sup> Part I of this Convention fixed the maximum numbers of Portuguese natives to be employed in the mines of the Transvaal in each of the next five years, made some stipulations as to the conditions of work of natives so employed, and provided for the recruitment, allotment, and repatriation of the natives being entrusted to organizations approved by both Governments; Part II dealt with the fixing of railway rates, and reimposed upon the Union Government the undertaking to secure to the port and railways of Lourenço Marques 50 to 55 per cent. of the sea-borne traffic imported into the 'competitive area'; Part III set out a customs agreement between the two Governments.

The 1928 Convention was for ten years, but in November 1934 it was subjected to agreed revision.<sup>5</sup> The recruiting basis of Portuguese natives to the Transvaal mines was fixed at a maximum of 80,000 and a minimum of 65,000,<sup>6</sup> these figures being subject to revision under circumstances affecting either of the contracting parties. Agreement was reached on the question of registration fees and deferred pay, and all payments to the colony of Mozambique under the Convention were to be made in Union currency. The proportion of sea-borne imports 'to the competitive area' of the Transvaal guaranteed to the port of Lourenço Marques was reduced to 47 per cent.<sup>7</sup> and an Advisory

<sup>1</sup> For text, see fifth and previous issues of *Official Year Book of the Union of South Africa*.

<sup>2</sup> After the constitution of the Union of South Africa, in 1910, the terms of the Convention became applicable to the whole of the Union.

<sup>3</sup> That part of the Convention which dealt with native labour was, however, provisionally prolonged, subject to six months' notice, and was only denounced (by the Portuguese Government) in November 1927.

<sup>4</sup> Summary of the Convention of 1929 in *Official Year Book of the Union of South Africa*, Nos. 10-15.

<sup>5</sup> See *Official Year Book of the Union of South Africa*, No. 16, 1934-5.

<sup>6</sup> The number of Portuguese employed in the Transvaal mines at the end of April 1935 was 70,000, as compared with 55,000 in 1933. Some 25,000 Portuguese natives from the northern districts were employed in the mines of Rhodesia in 1935. (D.O.T., *Report on Economic Conditions in Portuguese East Africa*, 1935.)

<sup>7</sup> The operation of this clause was deferred, the proportion of traffic remaining at

Board was to be established by the Government of Mozambique to investigate the best means of exploiting the port of Lourenço Marques in its relation to the Union, the Union Government to be invited to nominate three members for service on the Board. A clause in the 1928 Convention, which provided that certain products of the soil or of industries should be admitted to the contracting territories free of import duty, was deleted. The 1934 Convention was to be in force for a first period of ten years, after which it might be terminated by either party on twelve months' notice. Either Government might, however, call for a revision of its terms after five years, and, in default of mutual agreement, the Convention might then be terminated six months after the date of notice.

approximately the same rates (see D.O.T., *Report on Economic Conditions in Portuguese East Africa*, 1935).

## APPENDIX X

### FORMS OF GOVERNMENT

#### i. *British Empire*

THE diverse forms of government in the British Colonial Empire embody certain general fundamental principles of administration, although the similarities are less apparent than the differences—for instance between the military government of Gibraltar, self-government in Southern Rhodesia and indirect rule as carried out in Northern Nigeria.<sup>1</sup> The variations arise partly from the history of the particular unit—method and terms of acquisition, international and treaty limitations, &c.—and partly from the wide differences in economic development, geographical situation, the nature of the local resources and the racial composition.

The official designation—Colony, Protectorate, Territory under Mandate, Territory under Condominium, Protected State—denotes the title of possession rather than the type of administration. Colonies have been formally annexed by Orders in Council, and provision for the government of every colony is made from time to time in Letters Patent and the Instructions to the Governor. The Mandated Territories are administered by the Crown under mandate. Protectorates, technically speaking, are not British possessions; but the Crown is empowered by the Foreign Jurisdiction Acts to exercise jurisdiction therein. The Crown has taken such territories under its protection by unilateral act or by agreement with native rulers. The declaration of a protectorate is made by Order in Council under the Foreign Jurisdiction Acts, and the form of government is laid down in the same Order or in further Orders. Certain territories, protectorates in the original sense of the word, might be more correctly described as Protected States.

Though the designation alone does not indicate the exact type, there are fairly defined forms of government applying respectively to colonies and protectorates. One name (e.g. as in Gold Coast or Nigeria) may cover older settled territory and more recently acquired areas with the status of protectorates, with correspondingly different types of administration, though under a single Governor representing the Crown.

A good example of the differences of status is provided by Malaya, an area covering three groups under different régimes. The Straits Settlements (Singapore, Penang, Malacca and Labuan with their dependencies) form a British colony. The four Federated Malay States have a single Federal Council and four State Councils, and are administered by British officials on behalf of their Sultans, under the general authority of the Governor of the Straits Settlements, who is *ex officio* High Commissioner for Malaya. Devolution rather than greater centralization is the present trend.<sup>2</sup> The third group, the five Unfederated Malay States, are autonomous in their domestic affairs, but to each court is attached a British adviser whose advice must be accepted on all matters except Malay custom and religion. The three groups are co-ordinated to some extent by the fact that the Governor of the Straits Settlements is also

<sup>1</sup> For an account of Native Administration in Nigeria see p. 401 below.

<sup>2</sup> See Cmd. 4276 of 1933.

High Commissioner of Malaya and British Agent for Borneo, and has certain duties in connexion with the State of North Borneo (administered by a Chartered Company), and he is the channel of communication with the independent State of Sarawak, whose external relations are controlled by Great Britain.

There is considerable variety in the legal systems in the British Empire. The position generally is that Imperial Statutes apply to the colonies if so extended 'by express words or necessary intendment'; and the English Common Law, in so far as it does not conflict with enactments of the Colonial Legislature, is usually part of the law of a colony. But where a colony has formerly been under the sovereignty of another State, the law of that State as at the time of cession applies until, if ever, it is altered; thus Roman-Dutch law still applies in Ceylon and applied in British Guiana until 1917, and the French Civil Code is still the basis of the civil law in Mauritius. Roman-Dutch civil law is the basis of the legal system of Southern Rhodesia. Recognition is given to native laws and customs, especially in colonies where indirect rule obtains, and, in disputes between Moslems, to Moslem law.<sup>1</sup>

*Burma.* British Burma stands in a class by itself. By the Government of India Act, 1935, Burma was separated from India. The constitution under the Burma Act, 1935, provides for a Governor, an Executive Council, and a bicameral legislature. The Governor will have much the same powers with reference to these bodies as the Viceroy in India, with emergency powers similar to those of provincial governors in British India. The House of Representatives is elected on a broad franchise, two-thirds of the members being elected by general constituencies and one-third by constituencies of minority races, commerce and industry. Half the members of the Senate will be selected by the House of Representatives and the other half nominated. The principle of dyarchy is maintained, as in India. Certain subjects are reserved. The Governor retains control of defence, religious questions and some aspects of external affairs. Burma will be administered from a Burma Office in London under the Secretary of State for India. There are three small native States on the eastern frontier, and some large areas are administered as backward territories.

*Self-Governing Colonies.* A self-governing colony is a colony on the way to independent status within the British Commonwealth of Nations. Its executive is responsible to the elected legislature, and stands or falls with the majority of that legislature. Most of the constituent parts of the Dominions (the present provinces and states) passed through this stage before federation or union took place. The only self-governing colonies in the British Empire to-day are Southern Rhodesia and Ceylon. For a time Malta and Cyprus also had responsible government, now forfeited (see Chapter XII); self-government without Dominion status is therefore shown to be revocable by the Crown, until the power to do so is formally abandoned. Even in Ceylon and Southern Rhodesia there are reservations on self-government. Southern Rhodesia has advanced more than half-way towards Dominion status. Responsible government was conferred by Letters Patent in 1923, but foreign relations and to some extent native affairs were reserved subjects. Laws differentiating between Europeans and natives (other than those concerned with the sale of arms and liquor) must be referred to His Majesty's High

<sup>1</sup> *The British Empire*, R.I.A. (Oxford University Press, 1937), p. 140.

Commissioner in South Africa. The affiliations of Southern Rhodesia in London are with the Dominions Office and not with the Colonial Office; she sent a delegation to Ottawa and concluded trade agreements with the United Kingdom and Canada, and controls her own tariff relations; and she was represented on the Imperial Committee on Economic Consultation and Co-operation in 1933.

Under the new Ceylon Constitution (granted 1931), which has some unusual features, the reservations are more extensive, and include foreign affairs, defence, finance and justice, but not police.<sup>1</sup> The government of Ceylon is thus a dyarchy, and the Governor retains certain powers, notably the right to declare a state of emergency and consequently to resume control of any department. The Crown, through the Governor, retains the right of veto and the right of revoking or amending laws touching on reserved subjects.

*Colonies with Representative Government.* Colonies with representative government fall into classes according to the composition of the legislature (i.e. wholly elected, or partly official and partly nominated members, with an elective element).<sup>2</sup> In all cases the executive is responsible to the Crown, represented by the Governor, and not directly to the legislature.

Colonies and dependencies under the Colonial Office are classed as follows in the official Colonial Regulations:

- i. Colonies having an elected House of Assembly and a nominated Legislative Council: Bahamas, Barbados, Bermuda.
- ii. Colonies having a Legislative Council consisting partly of elected, partly of nominated, and partly of official members, of which the official members are not in the majority: British Guiana, Jamaica, Mauritius.
- iii. Colonies and Protectorates having a Legislative Council consisting partly of elected and/or nominated members and partly of official members, of which the official members are in the majority: Fiji, Grenada, Gold Coast, Kenya, Leeward Islands,<sup>3</sup> Nigeria (Colony and Protectorate), Northern Rhodesia, St. Lucia, St. Vincent, Sierra Leone (Colony and Protectorate), Straits Settlements,<sup>4</sup> Trinidad and Tobago. The Legislative Council of Kenya has power to legislate for the Kenya Protectorate. The Legislative Council of Nigeria has power to legislate

<sup>1</sup> Details in *Annual General Report* for 1935 (H.M.S.O., 1937).

<sup>2</sup> The Executive in Jamaica is a Privy Council of four official and not more than four nominated members, the Governor presiding. A special feature of the Jamaica Constitution is that nine elective members of the Legislative Council can veto any financial measure, while the unanimous vote of the whole fourteen elected members on other matters can only be overridden if the Governor declares that a contrary decision is of paramount importance.

<sup>3</sup> The Leeward Islands are a loose federation of five Presidencies, each with local financial autonomy and a local legislature. Federal expenses are met by contributions from each Presidency. The Secretary of State in 1934 (see *The Times*, Nov. 17th, 1934) invited the local legislatures in the Leeward Islands and in the Windward Islands (St. Lucia, Grenada and St. Vincent, with adjacent islands), with the exception of the British Virgin Islands, to vote on a proposal for the abolition of official majorities and the substitution of unofficial majorities with elected as well as nominated members, subject to the Governor's being empowered to certify any measure which he considered to be essential.

<sup>4</sup> The Straits Settlements are included under this head in the official list, but the Legislative Council, presided over by the Governor (who has a casting vote), has twenty-six members, thirteen of whom are official and thirteen unofficial, of whom two are elected by the Chambers of Commerce of Penang and Singapore.

for the Northern Provinces only in financial matters; in other matters the power of legislation is vested in the Governor.

- iv. Colonies and Protectorates having a Legislative Council consisting partly of nominated and partly of official members: British Honduras, Falkland Islands, Gambia, Hong Kong, Nyasaland Protectorate, Seychelles, Uganda Protectorate, Zanzibar. In the Councils of all the above, except British Honduras, the constitution provides for an official majority.
- v. Colonies and Protectorates without a Legislative Council: Aden, Ashanti, British Solomon Islands Protectorate, Cyprus, Gibraltar, Gilbert and Ellice Islands Colony, Northern Territories of the Gold Coast, St. Helena, Somaliland.

In all these Colonies and Protectorates, except Bahamas, Barbados, Bermuda, British Honduras, Jamaica and the Leeward Islands, the Crown has the power of legislating by Order in Council.

*Mandated Territories.* Territories in respect of which Mandates on behalf of the League of Nations have been accepted by His Majesty:

- i. Palestine (excluding Transjordan). The Palestine Order in Council, 1922, provides for a Legislative Council, consisting partly of elected and partly of official members, the constitution of which does not provide for an official majority (temporarily suspended by the Palestine (Amendment) Order in Council, 1923; pending the actual establishment of the Legislative Council, legislation is by the High Commissioner assisted by an (official) Advisory Council).
- ii. Tanganyika Territory; Legislative Council partly nominated and partly official.
- iii. The Cameroons under British mandate, divided into a northern part in respect of which the Governor of Nigeria possesses powers of legislation, and a Southern part in respect of which the Governor and Legislative Council of Nigeria possess powers of legislation.
- iv. Togoland under British mandate, in respect of which the Governor of the Gold Coast possesses powers of legislation.

The three South African High Commission Territories (the colony of Basutoland and the protectorates of Bechuanaland and Swaziland) are under the general authority of His Majesty's Commissioner in South Africa, with a Resident Commissioner for each. Basutoland has an advisory Council, the *Pitso*, presided over by the Resident Commissioner, of 100 members, 94 of whom are nominated by the Chiefs and 5 by the Resident. In Bechuanaland the chiefs exercise considerable authority through their native councils (*kgotlas*). Swaziland has an elected Advisory Council (European) for European affairs and a native council of *indunas* to advise the Paramount Chief on native affairs.

*Protected States.* States with internal autonomy, but whose external relations are controlled by the British Government, are: British North Borneo, Sarawak, the Unfederated Malay States.

States whose internal and external affairs are controlled by the British Government, but in which internal administration is carried on by the native ruler: Brunei, the Federated Malay States, Tonga.

*Countries under Condominium.* The Anglo-Egyptian Sudan, as far as the

United Kingdom is concerned, is under the British Foreign Office; the Governor-General is appointed by the King of Egypt on the recommendation of the United Kingdom Government.

New Hebrides (Condominium with France) is administered jointly by French and British Resident Commissioners, under the control of their respective High Commissioners.

*Position of Protectorates and Protected States.* Protectorates (in the ordinary sense, not protected States), though included in the Colonial Empire, are not British territory.

Lord Lugard has described in his *Dual Mandate in British Tropical Africa* the stages by which many protectorates have become more and more similar to colonies. One difference remains, since the inhabitants of a protectorate are not British subjects<sup>1</sup> but British protected persons, and are therefore without the rights accruing to a British subject. He writes:

'Thus the term protectorate gradually changed its meaning from that of a pact with the ruler of a State, which maintained its internal but not its external sovereignty, to a declaration of the territorial status of a region included in the Empire, in which not only the external, but in varying degrees the internal sovereignty also, has passed to the controlling Power, in many cases (since unexplored regions were included) without even the "treaty" consent of the people. Powers of administration co-equal with those of a colony have been assumed. . .

'A Crown Colony is annexed territory, and an integral part of the King's dominions, acquired either by conquest, settlement, or cession, and since all inhabitants born in it have the status of British subjects, herein appeared to reside the chief distinction between it and a protectorate.'

As the Protected State is internally sovereign it follows:

- (a) that subjects of the Protected Government are not British subjects, though they are British protected persons;
- (b) the Imperial Parliament cannot legislate for the Protected States save within the subjects allowed by treaty. For example, the ratification of International Labour Conventions on behalf of the colonies by the United Kingdom Parliament does not automatically bind these States.

On the other hand, the accession of a new Sovereign generally requires the assent of the British Government; and in cases of flagrant misgovernment the Sovereign may be deposed.

*The Legal Basis of Native Policy in Nigeria.* It is impossible to give particulars of the various systems of administration in British dependencies. But a consideration in greater detail<sup>2</sup> of the basis of British rule in Nigeria will show what a small part of the picture is provided in the bare outline of the constitutions given above.

'Nigeria, under one Governor, is administratively and politically divided into three main divisions; the Colony under an Administrator, area 1,400

<sup>1</sup> 'A "British protected" Somali complains in *The Times* that although his people have been called on to fight for the Empire, they are ineligible for the Merchant Service because they are not British subjects.'

<sup>2</sup> Details cited from *The Legal Basis of Native Policy in Nigeria*, a paper read at the 1931 Session of the International Colonial Institute, at Brussels, pp. xii-xx. An exhaustive examination of the Nigerian system is supplied in Margery Perham, *Native Administration in Nigeria*, Oxford University Press, 1937.



sq. miles; the Northern Provinces, area 255,700 sq. miles, and the Southern Provinces, area 78,600 sq. miles. Added to these divisions there is the mandated territory of the British Cameroons, area 31,150 sq. miles and population 650,000, which for administrative purposes only is in part incorporated into the Northern Provinces and in part into the Southern Provinces.

'The Northern and Southern Provinces are each under a Lieutenant-Governor appointed by the Crown but responsible to the Governor. The Northern Provinces comprise eleven provinces and the Southern also eleven, each in charge of a Resident. A province is generally divided into three, four, or five Divisions each in charge of a District Officer and each Division corresponding as to its boundaries with native political or tribal areas. The Northern Provinces and the Southern Provinces together form the Protectorate. The small area known as the Colony of Nigeria, with Lagos, capital of the whole of Nigeria and the chief port, has the usual political constitution of a British colony.'

Major Ruxton finds in the Native Treasuries in Nigeria the key to native policy. In theory the Native Treasuries, the *Beit-el-Mal* of the Emirates of the Northern Provinces, have always existed and now continue under British supervision and control. In practice, he thinks, in the majority of cases the Native Treasuries are a delegation of powers by Government.

'In the organized Mohammedan states, Oyo, Egba, etc., the Native Treasuries are realities, functioning under the control of the Paramount Chief, who appoints the whole staff from treasurer to typist, and only remotely controlled by the Resident, who must approve the yearly estimates and who occasionally checks the bank balance and the cash. At the other end of the scale of political development, the District Officer is himself, for the time being, the representative of an embryonic Native Administration; he is in charge of two separate offices and two separate staffs; the one, the Government office and treasury; the other, the Native Administration office and Native Treasury. . . . Between these two extremes—the Emirates and the unorganized Pagan clans—lies every possible gradation of delegation of responsibility and of native efficiency. The number of such Native Administrations and dependent Native Treasuries is 110. Their revenues are derived from (a) direct taxation, of which 50 per cent. or 70 per cent. accrues to them, the actual collectors, under Section 15 of the Native Revenue Ordinance; (b) from fees and fines under Regulation 25, the Native Courts Ordinance, and (c) from a number of miscellaneous sources among which may be mentioned: rents from communal land; timber royalties; market tolls; earnings of lorries and launches; water and electricity supplies; vehicle licences; drumming permits; slaughter fees; liquor licences; school fees and interest on investments and deposits.'

Native Administrations enjoy about one-fifth of the total revenue produced by Nigeria.

'It will thus be seen', Major Ruxton concludes, 'that the Native Administrations possess a very real financial autonomy, and have large sums at their disposal. This autonomy does not exist by virtue of any law nor are the finances subject to any public audit. The system has grown from the early pioneer days, 1900–1910; it was concocted by the Residents under

the control of the Governor; it exists by the will of the Governor under the covering approval of the Secretary of State; it now functions under the general supervision of the Residents and their District Officers in whose absolute integrity the Governor places confidence.'

## ii. *British Dominions, their Colonies and Mandated Territories*

(a) *The Union of South Africa.* The mandate over South West Africa is exercised by the Union of South Africa. Union Act No. 42 of 1925 provides for a limited measure of self-government (in force since 1926). The Territory is under an Administrator, assisted by an executive committee of five (including the Administrator as chairman). The four members are chosen by the Legislative Assembly and hold office during its existence. The Advisory Council has the same personnel, with three nominated members, one of whom must be chosen to represent native interests. The Legislative Assembly, whose powers of legislation exclude several important subjects, consists of eighteen members, of whom six are elected by European male suffrage and six nominated. The official languages are Afrikaans and English, but the Assembly may be addressed in German. The Native Administration Proclamation, 1928, provides for the appointment of a Chief Native Commissioner and assistants, for the hearing of native cases, and deals with tribal organization and the control of natives.

(b) *The Commonwealth of Australia.* Papua, the south-eastern section of New Guinea, is a territory of the Commonwealth of Australia. It is administered by a Lieutenant-Governor and Judge, assisted by an Executive Council (officials) and a Legislative Council (officials and nominated members), and is divided into divisions under resident magistrates with considerable powers. Norfolk Island, also a territory of the Commonwealth, is under an Administrator and Chief Magistrate, with an Advisory Council (officials). The Australian Antarctic Territory has no organization. The Mandated Territory of New Guinea (formerly German New Guinea) covering north-eastern New Guinea, the adjacent islands of the Bismarck Archipelago, and the islands of Buka and Bougainville in the Solomon Archipelago, is under an Administrator, and has an administration similar to that of Papua. The Northern Territories of the Commonwealth itself are under an Administrator.

(c) *New Zealand.* Colonial territories are: the Ross Dependency in the Antarctic, where there is a Government representative and administrator; the Tokelau or Union Group, the administration of which was transferred by the United Kingdom Government to New Zealand in 1921 and is administered from Samoa; and the Mandated Territory of Western Samoa. Western Samoa is under an Administrator with a Legislative Council, consisting of five official members, two members elected by the European community and two nominated native members. Statutory recognition is given to the *Faipule*, native representatives who meet in the *Fono*; matters concerning the Samoan people are placed before the *Fono*, and legislation and procedure affecting the natives require its concurrence.

(d) *British Empire Mandate.* The British Empire mandate for Nauru is administered through an Administrator appointed by the Government of the Commonwealth of Australia. The phosphate deposits are in the hands of a Board of Commissioners representing the United Kingdom, Australian and New Zealand Governments.

iii. *French Empire*

In legislation the French Parliament can veto laws passed by the colonial legislatures, and exercises its powers; it can also legislate for the colonies by inserting a clause in a French law to the effect that it shall apply to the colonies (for which application a presidential decree is required). Legislation is by a decree of the President of the Republic, though for any change in the civil status of the inhabitants or the commercial régime under which they live a law is necessary under the *sénatus-consulte* of 1854. Since legislation is generally by decree of the metropolitan Power, the function of the local councils is mainly advisory, though they exercise considerable influence, especially over finance, and have power to vote the 'optional' part of the budget. In Morocco and Tunis the decrees of the Bey and of the Sultan (concerned with certain matters only) are laws. These decrees may be prepared by the French Resident's office but are promulgated in the name of the native ruler.

Certain of the colonies are represented in the Senate and in the Chamber of Deputies in Paris: Guiana, Senegal and Cochin China each send a deputy; the three departments of Algeria, Martinique, Guadeloupe, Réunion and the French establishments in India send fourteen deputies and senators, the method of election varying in different colonies. In the colonies themselves the powers of the local councils, except in the 'old colonies', which have general councils of long standing, relate mainly to finance. They can discuss the budget, and certain other economic matters; and, in some cases, they vote certain portions of the budget. The Délégations Financières of Algeria provide the model for this form of council. This body is the most advanced of its kind, exercising a considerable influence on general economic policy.

Even the Establishments of France in Oceania (Tahiti, Nouméa, the Gambier archipelago, the Tubuai, Marquesas and Tuamotu Islands) have their Délégations Économiques et Financières.

In the 'old' French colonies, Réunion, the West Indies, Pondicherry, &c., the system is in many ways anomalous, especially the representation in the French Chambers, but everywhere increasing financial autonomy (occasionally leading to wasteful expenditure) secures some political power for the inhabitants.

West and Equatorial Africa have small areas advanced in political development, as in Senegal, but the problems outside the coast towns are mainly in native administration. The same consideration applies to Madagascar, where Galliéni worked out a system of native assemblies to act as a link between the rulers and the ruled.

In addressing the Government Council of French West Africa on December 7th, 1934, the Governor-General, M. Brevié,<sup>1</sup> outlined the policy of the Government in fostering 'indirect rule'. In Mauretania the old emirates had been reinstated, while in the anarchic region of Brakna dispersed tribal organizations had grouped themselves in central chieftaincies. It would be necessary to reconstruct the social framework often thoughtlessly abolished, to make use of the traditional authority of the chiefs, to restore to them their prestige and protect them from material needs and temptations by fair remuneration. Upheld and advised by consultative councils of notables (created or re-established), whose advice is in certain cases obligatory, these chiefs would be a help to the administration. Lieutenant-Governors reported that these native organiza-

<sup>1</sup> *Y.B.C.C.D.*, 1934, pp. 325-6.

tions had been most useful for the solution of many questions, such as levies, censuses, the assessment of taxes, programmes of road-building, the setting up of schools, the assessment of food-reserves.

French North Africa, by virtue of its proximity to France, its situation on the Mediterranean, the character of its population and its history, is on a different footing from the French Colonial Empire proper, and its separation administratively from the Ministry of the Colonies underlines the difference. Conferences between the Governors provide a basis for the development of a co-ordinated policy.

Algeria is closely assimilated to France. Algeria proper is divided into three French Departments returning members to the French Parliament, and the administration of justice, public instruction and worship (the latter as far as Europeans are concerned) is directed from the corresponding ministries in Paris, while the other services are under the Governor-General. On the other hand, the heavy burdens incurred by the French budget on behalf of Algeria led to the law of December 19th, 1900, which made Algeria a legal personality, with its own budget, with power to own goods, contract loans, &c., and a degree of financial autonomy. Military and naval expenditure is still borne on the French budget. The budget is prepared by the Governor-General, and, though it is discussed by the Délégations Financières, it must be authorized by Presidential Decree. The Algerine Sahara is practically under military administration and has its own budget.

The coexistence of French law and Moslem law, a dualism most marked in the regency of Tunis and the protectorate of Morocco, where a kind of dyarchy exists, complicates administration in French North Africa. The great Resident-General of Morocco, Marshal Lyautey, maintained that the conception of a protectorate is that of a country keeping its own institutions and government and administering itself with its own organs, under the control merely of a European Power which, taking over the functions of external representation, usually administers the army and finance and guides economic development. The dominant and characteristic note of this conception is the formula 'control' as opposed to the formula 'administration'.<sup>1</sup> At Rabat on November 24th, 1919, Lyautey said that the protectorate principle was beyond discussion, being guaranteed by international agreements which it was not in the power of the French government to modify. 'Consequently Morocco is an autonomous state whose protection is assured by France, but in which sovereignty remains with the Sultan.'

This declaration was confirmed on December 7th by a Government Message, and was reinforced by a second statement by the Resident-General at the inauguration of the Port of Casa Blanca. He said that 'the Sultan and his entourage, the Maghzen, and the maintenance of national traditional institutions did not form a façade and that none of it should be destroyed'.

A fundamental difficulty of administration is the fact that under Islam law and religion are one, and that consequently judicial power and religious authority commonly rest in the same hands. Round this system many abuses had grown up, but the replacement of the system by the French code was plainly impolitic. Happily, writes Barthou,<sup>3</sup> the First President of the Court of Appeal at Rabat had studied in collaboration with Moslem jurists the possibilities of codifying customary Moslem law. Frenchmen and foreigners

<sup>1</sup> Cited by L. Barthou, *Lyautey et le Maroc* (Paris, 1930), p. 145.

come under French law. The machinery of the Sultan's administration is on traditional lines, and the various officials and local assemblies operate under the supervision of French controllers. French civil administration is established in the coastal districts and in the districts adjoining Algeria, but in parts of the interior the military commands are in control.

Indo-China, or 'Oriental France', had a series of great administrators in De Lanessan, Doumer, Sarraut, and Maurice Long. Effective federation was established by Doumer in 1897 when a separate Resident-General was installed for Tongking, and a Superior Council for the whole of Indo-China created. Doumer overcame the particularism of Cochin China as an 'assimilated' colony, and succeeded in creating a great federated State with variations in government suited to the different areas. In Indo-China great administrative progress has been made, but the colonial Power in this case, as in other Asiatic colonies, has to face strong nationalist aspirations, which found vent in serious disturbances in 1921 and 1932. Cochin China has much more highly developed institutions than the protectorates. Nevertheless, in spite of the difference of status and of relation to the colonial Power, there is considerable uniformity in the higher strata of administration. The native population is associated with the French administration in the provinces by small councils elected by the people, and by councils elected by French residents for convenience. The educational system permits boys from remote provinces to advance step by step until they reach the university, where they can qualify for the exercise of the professions and for posts in the administration.<sup>1</sup> The position was consolidated by Sarraut and subsequent Governor-Generals. Natives have nearly one-half of the representation in Cochin China. In the protectorates the councils have been democratized, and the natives have received a larger share in the provincial and municipal councils. In Indo-China, as elsewhere, the various councils are concerned mainly with financial and economic questions.<sup>2</sup>

#### iv. *Belgian Colonies*

The Belgian Parliament maintains the right of laying down general rules of administration, and both Houses are represented in the Colonial Council. Considerable freedom of action is left to the Governor-General of Belgian Congo, who is assisted by a Government Council with advisory functions. The colony is divided into six provinces, each with a Provincial Commissioner and Advisory Council, and these again into districts. Ruanda-Urundi is administered in connexion with Belgian Congo, under a Vice-Governor-General, subject to any difference imposed by the terms of the mandate.<sup>3</sup>

#### v. *Dutch Colonies*

The Netherlands Constitution Act of 1922 declared that the Kingdom of the Netherlands comprises Holland, the Netherlands East Indies, Surinam and

<sup>1</sup> See special articles in *The Times* of Sept. 4th and 10th, 1934.

<sup>2</sup> See Rolland and Lampué, *Précis de législation coloniale*, Paris, Dalloz, 1936. For the history of institutions in Indo-China see E. Moresco, 'Les Conseils représentatifs des colonies asiatiques', in the *Compte Rendu* of the International Colonial Conference, Brussels, 1927, pp. 211-28.

<sup>3</sup> For Belgian administration see the General Instructions to the Governor-General on appointment, Sept. 28th, 1934, in *Y.B.C.C.D.*, 1934, vol. i, pp. 179-81; and M. Halewyck de Heusch in *Organisation politique et administrative des colonies*, International Colonial Institute, Brussels, 1936.

Curaçao, so that each of these territories became an integral part of the Dutch kingdom, the highest legislative authority being the Crown and the States-General in Holland; which authority can pass laws applicable to the kingdom as a whole or to any specific part thereof. This high authority by Order in Council can reserve to the Crown the regulation of certain subjects concerning the Indies or of certain cases. It supervises the legislation of Netherlands India, the Crown being empowered to suspend laws passed locally if contrary to the Constitution Act, Orders in Council, or Treaties or to public policy, and being also empowered to annul regulations made by the Governor-General.

The Netherlands India Government Act, 1925, marked a step towards self-government, authorizing the Governor-General to nominate natives to his advisory Council (*Raad van Indië*) and turning the *Volksraad* from an advisory body into a Legislative Assembly, with power to initiate legislation for Netherlands India, and to interpellate the government and advise on bills laid before the States-General and on Orders in Council, when either of these relate to Netherlands India. Its President is nominated by the Crown; the sixty members, half of whom are natives, are partly nominated and partly elected. If Governor-General and *Volksraad* fail to agree, the Crown issues an Order in Council to meet the case.

Netherlands India is divided into colonial territory and principalities (*Vorstenlanden*) ruled by native princes more or less independently. Till recently, it was divided, in respect of both types of territory, into Provinces for purposes of administration. According to size and importance, a Province was under a Dutch Governor, Resident or Assistant Resident. To ensure direct government of the natives by native chiefs, Provinces in Java were further divided into Regencies under native Regents (*Bupati*). Decentralization has given more powers to these Regents, is giving Provinces self-government through Provincial Councils, and is fusing Residencies into Governorships with powers limited by local councils; it has also created thirty-two municipalities in Java governed by their own Councils. In the Outer Islands reorganization has not advanced so far.

In the Outer Islands there are many Native States, the position of which is sometimes compared with that of the Indian States before the Act of 1935. But Dutch control is much closer. The more important States have 'long contracts' with the Dutch Government, providing certain reservations on the powers of the princes, especially in finance. The 'short contracts' subscribed by most of the States provide for full supervision by Netherlands India civil servants.

Great stress is laid on training the inhabitants in self-government, beginning with the village (*desa*) and working upwards.

The Dutch West Indies have legislatures with an elected majority for local purposes.

#### vi. *Outlying Territories of the United States*

The United States has no colonial department. Hawaii, Alaska, Puerto Rico and the Virgin Islands are under the Secretary of the Interior; the Panama Canal Zone, Guam and the American Samoan Islands are under the Secretary for War. Alaska and Hawaii send delegates to Congress, but these have no vote. The four first-named territories have institutions modelled on those of the United States; the territories under the War Department have military administrations, though in the three political divisions of

Samoa there are native governors and native law and custom is respected. For the Philippines see Chapter XII, section IV. The inhabitants of all these territories are American citizens; the Filipinos, during the transition to independence, are American protected persons. For American relations with Cuba, the Dominican Republic, and Nicaragua, see James W. Angell, *Financial Foreign Policy of the United States*, a report to the second International Studies Conference on the State and Economic Life.

#### vii. *Portuguese Colonies*

A Portuguese decree of March 24th, 1928, prescribes: (1) the political unity of the colonial domain; (2) administrative and financial autonomy subject to control from Lisbon; (3) the creation in each colony of an advisory Government Council, half elected, half nominated, to assist the Governor; and of district councils to assist district governors. The Congress of the Republic retains control of external relations, the alienation of property, and inter-colonial relations; the principles of tariff organization are laid down, and arrangements are made for close inspection by the Ministry of the Colonies. A certain degree of financial autonomy is given, but important financial changes must be referred to Lisbon. A decree of December 26th, 1934, provided for an economic conference of the colonies, to which all colonies should send delegations. Administrative arrangements generally conform to the law of 1928. But part of Portuguese East Africa, Mozambique, is administered by the Mozambique Company, though the Colonial Charter of Native Rights of 1933 provides for transfer to the Portuguese Government at an early date. The colonies are represented in the Lisbon Parliament, and also on the Superior Council of the Colonies.

The franchise admits no racial distinction, but since educational and property qualifications are required for the electoral colleges, Europeans have a certain advantage.

The Azores and Madeira are regarded as integral parts of Portugal. The Cape Verde Islands are under a Governor, but have some civil and fiscal autonomy.

#### viii. *Japanese Colonies*

Japanese colonies are under the Ministry for Overseas Affairs. There are no colonial legislatures, but the Governor-General of Korea has an Advisory Council of 60 to 70 Koreans, presided over by the Administrative Superintendent, and the Governor-General of Formosa has an Advisory Council of twenty-five official and nominated members, of whom nine are Formosans. Formosa is more closely assimilated to Japan than Korea, and the Governor-General reports to the Japanese Ministries of Finance and Communications on the relevant questions. Karafuto (Southern Sakhalin) is practically assimilated. Kwantung Leased Territory has a Governor, and an Advisory Council (official and elected members) for each of the two administrative divisions. The mandated islands are administered by the South Seas Bureau; local government is carried on by native chiefs nominated by the Bureau.

#### ix. *Italian Colonies*

The Italian Ministry of the Colonies is advised by a Superior Colonial Council, which must be consulted before colonial decrees are issued. Libya

(Tripolitania and Cirenaica) has a bureaucratic government, the advisory and general council proposed in the decree of December 3rd, 1934, not having yet been formed. In an Organic Law promulgated on June 1st, 1936, the framework of a new organization for Italian East Africa was laid down. Italian East Africa (centre of government at present Addis Ababa) is to have a Viceroy and Governor-General, with an official advisory council and a nominated consultative council. The five subsidiary governments of Eritrea, Somaliland, Amhara, Galla and Sidamo, and Harar, have military governors, who report to the Viceroy on justice, defence and colonization, and to the Ministry of the Colonies on purely administrative questions. The Governor of the Aegean Islands reports to the Italian Foreign Office. Rhodes and Cos have their own municipal governments.<sup>1</sup>

## APPENDIX XI

## TRADE STATISTICS

THE statistics in Chapter XV have as far as possible been reproduced or calculated from official or other authoritative sources, which have in all tables been indicated in footnotes. Summary tables have been derived from the analysis of the course of colonial trade between metropolitan and foreign countries, 1925-35, presented in the following two tables. In the summary tables the latest years have been taken in which figures for all the colonial empires were available, and so might be considered comparable. In the following tables the sources, as far as possible, have been the official returns of the countries in question. Footnotes draw attention to any alterations and adjustments which have been thought necessary. Some of these merit brief discussion.

In general, countries value imports at the port of entry and exports at the port of lading, or c.i.f. and f.o.b. respectively. That is to say, imports include the cost of carriage and insurance, and exports exclude them. It will therefore be noted that the value of total exports in any year consigned from a metropolitan country to its colonies will differ from their value when recorded by the colonies as imports from the metropolitan country. An examination of the figures given in Tables V and VI or VII and VIII will show that this difference, varying naturally with the distance of the colonies from the metropolitan country, is commonly between 10 and 15 per cent. of the f.o.b. value. For a number of colonies, only one set of returns has been available for analysis. For this reason the figures for the Japanese and Italian colonies are not strictly comparable with those for other areas. The differences, however, will not exceed the costs of transport.

A table is also appended giving specimen tariffs, and showing the extent of imperial preference for certain articles in a number of British Crown Colonies.

<sup>1</sup> For details of native administration see A. Malvezzi de Medici in *Organisation politique et administrative des colonies*, already cited.



## APPENDIX XI

*Imports and Exports of Metropolitan Countries from and to their Colonies, their Mandated Territories and Foreign Countries, expressed as Percentages of their Total Imports and Exports, with Values in National Currencies (Values in Millions)*

	IMPORTS INTO METROPOLITAN COUNTRY					EXPORTS FROM METROPOLITAN COUNTRY				
	Average 1925-9		Average 1930-4		1935	Average 1925-9		Average 1930-4		1935
	Per cent. of total	Value in national currency	Per cent. of total	Value in national currency	Value in national currency	Per cent. of total	Value in national currency	Per cent. of total	Value in national currency	Value in national currency
<i>Metropolitan country by dependencies</i>										
<i>United Kingdom:</i>										
Dominions and India	22.6	£ 251	25.4	£ 189	£ 201	36.5	£ 202	34.4	£ 144	£ 156
Colonies and Protectorates *	4.8	53	5.6	42	49	8.7	63	9.8	41	44
Mandated territories b	0.2	3	0.3	2	4	0.3	2	0.5	2	4
All British countries	27.6	307	31.3	233	254	45.5	327	44.7	187	201
Foreign countries	73.4	806	68.7	510	447	54.5	391	55.3	231	221
All countries	100.0	1,113	100.0	743	701	100.0	718	100.0	418	426
<i>France:</i>										
Algeria	4.8	Frances	9.5	Frances	Frances	6.9	Frances	14.1	Frances	Frances
Other colonies	6.7	2,570	8.1	3,339	2,330	8.8	3,649	11.5	3,641	2,578
Mandated territories	0.4	3,611	0.3	2,850	2,928	0.7	4,586	0.6	2,934	2,210
All French countries	11.9	231	17.9	111	125	16.4	341	10.6	109	102
Foreign countries	88.1	6,402	82.1	6,300	5,383	83.6	8,576	73.8	6,744	4,890
All countries	100.0	47,404	100.0	28,910	15,592	100.0	44,079	100.0	19,116	10,583
		53,806		35,210	20,945		52,655		25,860	15,473
<i>Netherlands:</i>										
Netherlands India	5.3	Guilders	4.4	Guilders	Guilders	7.9	Guilders	5.8	Guilders	Guilders
Foreign countries °	94.7	137	95.6	82	57	92.1	149	94.2	67	32
All countries °	100.0	2,439	100.0	1,489	879	100.0	1,737	100.0	996	643
		2,576		1,571	936		1,886		1,093	675
<i>Belgium:</i>										
Belgian Congo	2.3	Belg. frs.	3.3	Belg. frs.	Belg. frs.	2.1	Belg. frs.	1.7	Belg. frs.	Belg. frs.
Mandated territory °	°	630	[0.04]	829	1,248	°	526	[0.05]	318	162
Foreign countries °	97.7	26,907	96.7	24,294	16,077	97.9	24,354	96.3	18,261	15,984
All countries	100.0	27,537	100.0	25,123	17,325	100.0	24,880	100.0	18,579	16,146



*Imports and Exports of the Colonial Empires and Mandated Territories from and to their Metropolitan Countries and to Foreign Countries, Expressed as Percentages of Total Imports and Exports, with Values in National Currencies (Values in Millions)*

	IMPORTS INTO THE COLONIAL EMPIRE						EXPORTS FROM THE COLONIAL EMPIRE					
	Average 1925-9			1935			Average 1925-9			Average 1930-4		
	Per cent. of total	Value in national currency	£	Per cent. of total	Value in national currency	£	Per cent. of total	Value in national currency	£	Per cent. of total	Value in national currency	1935
<i>British Colonies and Protectorates<sup>a</sup></i>												
United Kingdom . . . . .	26.0	62	23.6	24.5	45	60	29.5	60	32.6	34	35.8	£ 43
Other British countries . . . . .	25.0	56	20.5	20.5	37	26	12.5	26	15.3	16	17.0	21
All British countries . . . . .	51.0	118	44.1	45.0	82	86	42.0	86	47.9	50	53.4	64
Foreign countries . . . . .	49.0	117	55.9	55.0	100	117	58.0	117	62.1	103	40.6	57
All countries . . . . .	100.0	235	100.0	100.0	182	203	100.0	203	100.0	153	100.0	121
<i>British Mandated Territories<sup>b</sup></i>												
United Kingdom . . . . .	17.9	3	19.7	19.4	5	3	28.5	3	29.3	2	40.6	5
Other British countries . . . . .	23.1	8	16.6	10.8	2	3	20.5	3	25.9	2	24.4	2
All British countries . . . . .	41.0	6	36.3	30.2	7	6	55.0	6	64.9	4	65.0	7
Foreign countries . . . . .	59.0	9	63.7	69.8	17	10	45.0	10	43.1	3	35.0	4
All countries . . . . .	100.0	15	100.0	100.0	24	16	100.0	16	100.0	7	100.0	11
<i>Algeria</i>												
France . . . . .	80.0 <sup>c</sup>	4,044 <sup>c</sup>	80.0	80.2	2,290	5	54.0 <sup>c</sup>	2,290	82.0	2,807	85.5	France
Foreign countries . . . . .	20.0 <sup>c</sup>	1,008 <sup>c</sup>	20.0	19.8	554	2	46.0 <sup>c</sup>	554	18.0	145	14.5	2,295
All countries . . . . .	100.0 <sup>c</sup>	5,050 <sup>c</sup>	100.0	100.0	2,844	7	100.0 <sup>c</sup>	2,844	100.0	3,251	100.0	2,542
<i>Other French Colonies</i>												
France . . . . .	46.1 <sup>c</sup>	5,210 <sup>c</sup>	54.0	52.1	2,721	39.7 <sup>c</sup>	39.7 <sup>c</sup>	2,703	59.0	2,670	64.2	2,753
Foreign countries . . . . .	53.0 <sup>c</sup>	5,797 <sup>c</sup>	46.0	47.9	2,512	60.3 <sup>c</sup>	60.3 <sup>c</sup>	2,498	40.4	1,819	35.8	1,534
All countries . . . . .	100.0 <sup>c</sup>	11,018 <sup>c</sup>	100.0	100.0	5,233	100.0 <sup>c</sup>	100.0 <sup>c</sup>	5,201	100.0	4,489	100.0	4,287
<i>French Mandated Territories<sup>d</sup></i>												
France . . . . .	26.5 <sup>c</sup>	78 <sup>c</sup>	57.9	35.5	49	49.0 <sup>c</sup>	49.0 <sup>c</sup>	195 <sup>c</sup>	44.7	51	51.0	68
Foreign countries . . . . .	73.5 <sup>c</sup>	217 <sup>c</sup>	42.1	60.5	97	50.1 <sup>c</sup>	50.1 <sup>c</sup>	130 <sup>c</sup>	55.3	63	49.0	65
All countries . . . . .	100.0 <sup>c</sup>	295 <sup>c</sup>	100.0	100.0	146	100.0 <sup>c</sup>	100.0 <sup>c</sup>	254 <sup>c</sup>	100.0	114	100.0	133
<i>Netherlands India</i>												
Netherlands . . . . .	17.6	167	15.0	13.1	36	16.3	16.3	291	17.3	120	22.7	Gulders 106
Foreign countries . . . . .	82.4	782	85.0	86.9	242	83.7	83.7	1,350	82.7	586	77.3	860
All countries . . . . .	100.0	949	100.0	100.0	279	100.0	100.0	1,641	100.0	716	100.0	466

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	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.	Belg. frs.
<i>Belgian Congo</i>									
Belgium	51.1	739	47.3	356	38.3	201	515	60.3	76.1
Foreign countries	48.0	707	52.7	390	61.7	353	602	33.7	23.9
All countries	100.0	1,446	100.0	755	100.0	524	1,017	100.0	100.0
<i>Italian Colonies</i>									
Italy	°	°	59.3 <sup>a</sup>	333 <sup>a</sup>	°	°	°	65.5 <sup>a</sup>	°
Foreign countries	°	°	40.7 <sup>a</sup>	220 <sup>a</sup>	°	°	°	34.5 <sup>a</sup>	°
All countries	°	°	100.0 <sup>a</sup>	553 <sup>a</sup>	°	°	°	100.0 <sup>a</sup>	°
<i>Japanese Colonies</i>									
Japan	69.7	392	80.2	446	84.8	176	541	90.1	88.9
Foreign countries	30.3	185	19.8	67	15.2	140	71	9.9	11.1
All countries	100.0	577	100.0	513	100.0	316	612	100.0	100.0
<i>Japanese Mandate</i>									
Japan	93.7	5	96.0	8	95.7 <sup>a</sup>	7 <sup>a</sup>	7	96.3	85.3 <sup>a</sup>
Foreign countries	6.3	0.3	4.0	0.3	4.3 <sup>a</sup>	0.3 <sup>a</sup>	0.1	3.7	14.2 <sup>a</sup>
All countries	100.0	5	100.0	8	100.0	7	7	100.0	100.0
<i>U.S. Non-contiguous Territories</i>									
United States	80.8	193	91.4	152	°	°	268	97.2	°
Foreign countries	19.2	23	8.6	15	°	°	10	2.8	°
All countries	100.0	216	100.0	167	°	°	278	100.0	°
<i>Philippines</i>									
United States	61.0	78	59.0	58	°	°	113	74.1	°
Foreign countries	39.0	49	41.0	36	°	°	28	25.9	°
All countries	100.0	127	100.0	94	°	°	141	100.0	°

<sup>a</sup> Including Sudan Condominium and Southern Rhodesia.

<sup>b</sup> Including New Hebrides Condominium.

<sup>c</sup> Details not available.

<sup>d</sup> Figures for Syria for 1934 and 1935 are not available. The total values for all mandates were: (million francs) imports from France—1934, 139; 1935, 135. From foreign countries—1934, 552; 1935, 617.

<sup>e</sup> Figures for January-June 1935.

<sup>f</sup> Year 1933.

Sources: *Statistical Abstract of the British Empire*; *Bulletin General Statistique de la France*. Other sources in Table IIA.

*British Colonies Specimen Tariffs (Compiled by Mr. H. V. Hodson, and used with his permission)*

1933	Books and shoes Canvas, rubber soled		Other		Cotton piece-goods		Motor-cars		Matches per gross boxes		Woollen manufactures	
	Prof. %	Gen. %	Prof. %	Gen. %	Prof. %	Gen. %	Prof. %	Gen. %	Prof. %	Gen. %	Prof. %	Gen. %
Northern Rhodesia <sup>a</sup>	10	10 (plus 1s. per pair)	10	25	10	20	10	20	2s.	3s. 6d.	12	20
Gambia	10	12½	10	12½	15	20	6	25	1s. 6d.	2s. 6d.	10	12½
Sierra Leone	20	30	20	30	20	30	free	20	1s. 6d.	2s. 6d.	10	30
Caylon	15	15	15	25	10	10	20	20	1s. 6d.	2s. 6d.	10	25
Federated Malay States <sup>b</sup>	(per pair)	50c.	10	20	10	20	free	20	60c.	60c.	10	20
Malay States	10c.	20	15	18½	13	28	5½	30½	1s. 1-65	1s. 1-65	13	28
Malay States	7½	10	7½	10	7½	10	7½	10	10c.	10c.	7½	10
Malay States	7½	10	7½	10	7½	10	7½	10	10c.	10c.	7½	10
Malay States	free	free	free	free	free	free	free	free	50c.	50c.	free	free
Malay States	15	25	15	25	15	25	15	30	25	25	15	25
Sarawak	15	25	15	25	15	25	15	30	25	25	15	25
Seychelles	15	25	15	25	15	25	15	30	25	25	15	25
Cyprus	1s. 8d. (per pair)	2s.	(per pair) 4s. 2d.	5s.	18½	20	0½	20	2s. 8d.	4s.	10½	25
Fiji	1s.	2s. (per pair)	20	35	20	35	20	40	7s.	10s. 0d.	20	35
Bahamas	10	1s. plus 20%	10	20	10	20	10	30	10	20	10	20
Barbados	6d.	1s. 6d.	10	30	8½	20	10	30	8d.	1s. 4d.	10	20
Bermuda	(per pair)	10 (plus 1s. pair)	10	10	10c	25	10	30	8d.	1s. 4d.	10	20
British Guiana	6c.	10c.	10	30	15½	30	20	40	10	10	10	10
British Honduras	(per pair)	85c.	10	20	10½	31½	10	30	10	20	10	20
Jamaica	15	15 (plus 1s. pair)	15	25	10	20	10	30	2s. 3d.	3s.	15	20
Turks and Caicos Islands	10	15	10	15	10	15	10	15	10	15	10	15
Leeward Is.: Antigua	10	10 (plus 1s. pair)	10	20	10	15	10	30	1s.	1s. 6d.	10	15
Leeward Is.: Barbados	10	10 (plus 1s. pair)	10	20	10	15	10	30	1s.	1s. 6d.	10	15
Leeward Is.: Dominica	10	10 (plus 1s. pair)	10	20	10	15	10	30	1s.	1s. 6d.	10	15
Leeward Is.: St. Vincent	10	10 (plus 1s. pair)	10	20	10	15	10	30	1s.	1s. 6d.	10	15
Trinidad and Tobago	6d.	1s. 6d.	10	30	10	20	10	30	1s.	1s. 6d.	10	15
Windward Is.: Grenada	(per pair) 4s. 1d.	1s. 4d.	10	30	10	20	10	30	1s.	1s. 6d.	10	15
St. Lucia	15	15 (plus 1s. pair)	15	22½	15	22½	15	35	1s. 6d.	2s. 3d.	15	22½
St. Vincent	(per pair) 4d.	1s. 4d.	10	15	10	15	15	35	6d.	9d.	10	15

<sup>a</sup> In Northern Rhodesia the British preferential duties and the Congo Basin duties are identical. There are also special tariff agreements with Southern Rhodesia and the Union of South Africa, involving rebate of customs duties on beer, spirits, and tobacco.

<sup>b</sup> Similar tariff in Unfederated Malay States. <sup>c</sup> Per 100 boxes. <sup>d</sup> Sizes 7-11, both groups of boots and shoes.

<sup>e</sup> Piece-goods value not exceeding 1s. per yd.

<sup>f</sup> Value exceeding 1s. per yd.

<sup>g</sup> Value exceeding 3s. per pair.

<sup>h</sup> Value exceeding 3s. per pair.

<sup>i</sup> Value exceeding 3s. per pair.

<sup>j</sup> Duty reduced to 5 per cent. on cars entirely of British material and workmanship.

## APPENDIX XII

### THE DEMAND FOR ACCESS TO RAW MATERIALS

THE question of the availability of raw materials was brought forward at the Peace Conference. The Italian scheme for a League of Nations suggested a distinction between international and social justice and legal justice. It was desired to establish a guarantee that every Member of the League should enjoy the 'necessary conditions' of its independence and autonomous development. One of these conditions was that the 'international distribution of the food-stuffs and raw materials required to sustain healthy conditions of life in industry must be controlled in such a way as to secure to every country what is indispensable to it in this respect'.

The original French proposals for Article 23 of the Covenant included engagements to prevent unfair competition in international trade, to take measures against dumping, and to levy neither export nor import duties on raw materials. The purpose of this last suggestion was 'to put an end so far as possible to international rivalries in the search for raw materials, to suppress many of the causes of the economic conflicts that endanger world peace and to offset the natural inequalities arising from the geographical distribution of resources'.<sup>1</sup> Nothing came of these far-reaching proposals, and the clause inserted in the Covenant (Article 23e) went no farther than to 'make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all members of the League . . .'. Moreover, the absence of discrimination in trade and other matters which was stipulated in the earlier draft of the Covenant for all regions under the Mandate system was not imposed for C mandates.

At the Tenth Meeting of the Council Signor Tittoni brought forward the question of the distribution of raw materials, on October 25th, 1920, asking for an inquiry into possible action by the League for securing equitable economic and financial treatment for all its Members.<sup>2</sup> A resolution was adopted by the Council requesting the Economic Section of the Economic and Financial Committee to study the raw material requirements of certain Powers and the causes of the difficulty in the import of such materials (other than lack of credit and fluctuating exchanges) with special reference to the effects of the existence of monopolies. This resolution was endorsed by the Assembly, and the proposed inquiry was set in motion in December.

The question of the distribution of essential commodities had been raised at many international conferences: at the International Labour Conference in Washington, November 26th, 1919; by M. Gino Baldesi at the Miners' International Conference, Geneva, August 2nd-6th, 1920; and at the Brussels Financial Conference, September 23rd to October 26th, 1920. The resolutions adopted by the Miners' International Conference were investigated by the governing body of the International Labour Office, who adopted a resolution asking for the preparation of comprehensive statistics on prices and supplies.<sup>3</sup>

<sup>1</sup> Temperley, *History of the Peace Conference in Paris*, vol. v, p. 68.

<sup>2</sup> For the statement and a counter-statement by Lord Balfour and the terms of the resolution, see *Minutes* of the Council (Tenth Session, Oct. 20th-28th, 1920), Annexes 121, 121a, 121b.

<sup>3</sup> Annex 121, p. 217, to *Minutes* of the Council of the League of Nations, Tenth Session, Oct. 20th-28th, 1920.

The discontent at this time was due to the difficulties arising out of the liquidation of war conditions. During the War a large number of important raw materials had in fact been rationed by the Allied and Associated Powers to Allies and to neutrals. Attention was concentrated at that time on the paucity of the quantities available. The ordinary machinery of production and distribution had not recovered from the dislocation of the War, and requirements were heavy because of the reduced manufacture of ordinary goods during hostilities and the requirements of the market due to the necessity of re-equipment of all kinds, especially in the 'devastated areas'.

The inquiry asked for by the Council and endorsed by the Assembly was entrusted by the Provisional Economic and Financial Committee in the main to Professor Gini, who had at his disposal the replies to questionnaires dealing with import and export restrictions, monopolies and supplies of raw materials. Under the circumstances, it was perhaps inevitable that the inquiry should be concerned with the likelihood of a deficiency of raw materials, although ten years later students of the depression which began in 1929 were concerned largely with surpluses. Nevertheless, the alternative solutions put forward by Professor Gini throw some light on the attitude of those States which are themselves not self-sufficient in this matter to-day.

The alternatives were stated as follows:

1. The Nationalist solution, according to which each nation should be able to draw sufficient raw materials and foodstuffs for its own population and its own industries from within the territories which belong to it politically, or at least from the territories within which it has the right of economic exploitation.
2. The Socialist or State solution, according to which the raw materials and foodstuffs of the whole world should be acquired by a central organization and equitably distributed by it according to requirements.
3. The free trade solution, i.e. complete freedom in international trade and in economic relations within individual States.

The history of tariffs after the War was to show how difficult any proposal for international control was. In framing a report based on Professor Gini's documents the Provisional Economic and Financial Committee pointed out that the Council had excluded from their consideration difficulties of credit and exchange which seemed to them to form an essential part of the problem. After dealing with questions of transport and of commercial restrictions generally, and especially of the export duties and high prices which had arisen out of the abnormal situation, they laid down certain principles, the most important of which was that States possessing raw materials should not adopt measures placing less fortunate countries in a permanent position of inferiority. On the proposals for the organization of supply of raw materials through an international office, the lines suggested by the Miners' International Congress of March 1920, they delivered an unfavourable judgement, being convinced of its impracticability for various reasons. They pointed out that no scheme for the international control of distribution could operate without fixing prices and without rationing, which would lead to international control of the internal economic life of the countries concerned. They drew attention to the importance of the rehabilitation of international credit and exchanges excluded from their terms of reference.

The discussion of the question of raw materials was again suggested during the Preparatory Conference for the Economic Conference of 1927, but although studies on certain raw materials were made, it was not a major issue at the Conference, the main committees of which dealt with obstacles to trade, with industrial organization and with agriculture.

At the Tenth Assembly on September 9th, 1929, M. Scialoja protested that nothing practical had been done in the matter of raw materials.

'We ask that equal consideration should be given to the interests of producing and consuming countries and that the principle of international solidarity . . . shall not be overlooked. . . . Again, we must appeal to this spirit of solidarity to supply a solution for demographical and social problems, for any neglect of these would ultimately poison international relations'.<sup>1</sup>

The World Monetary and Economic Conference of 1933 dealt with production and markets, and therefore to some extent with raw materials, but with little success.<sup>2</sup>

There has been a pretty sharp division of opinion as to the necessity of any international regulation of production and the marketing of raw materials. Continental Europe was more interested in it than the countries which were either rich in raw materials themselves or had extensive trading relations with raw material countries. Therefore the European countries welcomed the statement made by Sir Samuel Hoare to the League Assembly on September 11th, 1935, in which he referred especially to the colonial aspect of the problem.

'The fact remains that some countries, whether in their native soil or in their colonial territories, do possess what appear to be preponderant advantages, and that others, less favoured, view the situation with anxiety. Especially as regards colonial raw materials it is not unnatural that such a state of affairs should give rise to fear lest exclusive monopolies be set up at the expense of those countries that do not possess colonial empires. . . . The view of His Majesty's Government is that the problem is economic rather than political or territorial. It is the fear of monopoly—of the withholding of essential colonial raw materials—that is causing alarm. It is the desire for a guarantee that the distribution of raw materials will not be unfairly impeded that is stimulating the demand for further enquiry. . . . But an enquiry into colonial raw materials will not meet the real situation because the removal of any difficulties which prevent the purchase of the required supplies is a much wider one than access to supplies in colonies.'

In Mr. Eden's words,<sup>3</sup> it would be a mistake to imagine that from the pursuit of such an examination 'we should discover some magic touchstone for all our ills. . . . Nevertheless, the very fact that such an enquiry was proposed does something to allay the disquiet caused by the concentration in the hands of a few great Powers of a large part of the natural resources of the world.'

The demands of the 'three point programme' presented by the Japanese

<sup>1</sup> League of Nations, *Official Journal*, Special Supplement, No. 75 (Geneva, 1929), p. 72.

<sup>2</sup> *Report on Certain Aspects of Raw Material Problem*, C. 51, M. 18, 1922 (Geneva, Dec. 1921).

<sup>3</sup> *Hansard*, Feb. 24th, 1936, cols. 82-3.



Government to the Chinese Ambassador in Tokyo in November 1935 included under the head of economic co-operation the provision of cotton for Japan. The extension of cotton growing in China has been part of the policy of the Chinese National Economic Council, but the cotton grown was a low-grade product suited for Chinese mills, but not suitable for Japanese spindles designed for the use of the longer-staple American cotton, which was rapidly superseding the Indian product. The Japanese desired to become independent of supplies of cotton from the United States, and, therefore, the Chinese Government were asked to participate in a plan for planting two million acres in North China with American cotton, in the hope that in five or six years the supply would cover the requirements hitherto met from the United States. A beginning had already been made in Shantung, where seed had been distributed to farmers together with material and technical assistance for the larger scheme.<sup>1</sup>

<sup>1</sup> See *Survey of International Affairs, 1935*, vol. i, pt. ii, p. 320.

## APPENDIX XIII

### POPULATION OF NETHERLANDS INDIA, MALAYA AND TANGANYIKA

#### *Netherlands India*

For census purposes the 'European' population of Netherlands India is taken to include (1) all Dutchmen, (2) all other people of European origin, (3) the Japanese and other people whose family law is approximate to Dutch law, (4) the descendants of (2) and (3) born in Netherlands India, (5) people who by government decree have been assimilated to Europeans. This European population at the census of 1930 numbered about 240,162 souls, or 0.04 per cent. of the total population. A peculiarity of the 'European' population of the Netherlands Indies is the large proportion of Eurasians or Creoles included in the group; recent estimates put their number at 60 per cent. of the whole, which is conservative. The greater part of the settled European population is of Dutch origin; the temporary population is very mixed. The following table shows the division of this population by nationality.

#### *'European' Population classified according to Nationalities (including men, women, and children)*

<i>Origin</i>	<i>Numbers</i>	<i>Origin</i>	<i>Numbers</i>
Dutch . . . . .	208,259	Austrians . . . . .	514
Belgians . . . . .	825	Hungarians . . . . .	110
Germans . . . . .	6,867	Italians . . . . .	186
British . . . . .	2,414	Swiss . . . . .	790
Frenchmen . . . . .	414	Poles . . . . .	132
Russians . . . . .	238	Japanese and Formosans . .	7,195
Scandinavians . . . . .	488	Filipinos . . . . .	282
Czechoslovaks . . . . .	121	Armenians . . . . .	542
Turks . . . . .	130	Native races (who are assi-	
Americans . . . . .	643	milated to Europeans) . .	8,948
		Others . . . . .	822
		Unknown . . . . .	442

Total\* 240,162

\* Exclusive of 255 in the region where no count of nationalities was held.

It will be observed that the highest nationality figure after Dutch is for Japanese and Formosans, and that the second highest figure is for Germans.

Almost a quarter of occupied Europeans are in the service of the State (administration, army, fleet, police); more than one-fifth are engaged in the production of raw materials, in agriculture and in mining, and one-fourth are concerned with trade and transport. Many European workers have been attracted to the army, to sugar-cultivation, transport, wholesale trade and commission business. In Western Java, where a third of the whole European population are resident, about half of them are in the service of the State. Other Europeans in the area do not fill so large a part in agricultural enterprise as they do in the other parts of Java and Madura, notably in the native principalities, in Eastern Java or in Sumatra. In Sumatra 25 per cent. of Europeans

are engaged on estates. In Borneo Europeans are employed in the oil industry; this is also the case in Sumatra. Europeans engaged in commerce and transport are concentrated in large towns on the coast of Java and Madura; teachers and other professional persons are distributed throughout the archipelago.

*Occupations of Europeans according to the Census of 1930*

<i>Occupation</i>	<i>Europeans number</i>
Production of raw materials . . . . .	18,800
Industry . . . . .	4,676
Transport . . . . .	10,985
Commerce . . . . .	11,415
Liberal professions . . . . .	11,200
Public administration . . . . .	20,731
Living on their income . . . . .	6,038
Other occupations . . . . .	1,376
<b>Totals<sup>a</sup></b>	<b>85,321</b>

<sup>a</sup> Exclusive of 225 Europeans concerning whom no data were obtained.

The above tables are taken from *Colonial Statistics, Overseas Territories of the Kingdom of the Netherlands*, submitted by The Netherlands Co-ordinating Committee for International Studies, K. 77, 1936. Netherlands.

In 1880 there were about 60,000 Europeans enumerated in Netherlands India; in 1905 94,518; in 1930 after a quarter of a century of rapid growth 240,162.

In the last decennial period the number of foreigners in the Indies increased. About a tenth of the 'European' population were of foreign race. Important groups are the Japanese, Germans and British. Foreigners are mostly employed in commerce and the production of raw materials, except in the case of Germans, of whom, at the time of the 1930 census, 12 per cent. were employed either in the police or other State services. During the depression most of the foreigners in public service were pensioned off. Restrictions on entry into Netherlands India have been enforced since the end of 1933. The maximum number of immigrants for the years 1934, 1935 and 1936 was fixed at 12,000, to be equally divided over fifteen groups of nationalities.<sup>1</sup>

In August 1935 the Crisis Ordinance on Foreign Labour limited employment of foreigners in Netherlands India. A permit from the Director of Justice is required for the employment of an alien of European descent who is admitted to the colony for the first time or readmitted after an absence of over one year. This emergency measure holds until January 1938. In practice this regulation specially affects those 'European' business houses which habitually recruit most of their employees from the home country, e.g. the Japanese. A special legal status of 'resident', carrying with it special privileges, is acquired after nine years' residence.

In the sugar industry foreigners play only a small part; 93 per cent. of Europeans engaged in the sugar industry are Netherlanders. From 91 to

<sup>1</sup> This regulation specially aimed at restricting Chinese coolie immigration; its system is a compound of quota per nationality and a maximum total immigration. Surpluses left from the nationality quota may be switched over to the Chinese quota within the limits of the said total.

94 per cent. of persons engaged in State services and transport are Netherlanders.

The importance and expansion of Japanese retail trade has been very much overrated. During the late 'twenties and the early 'thirties, when the rapid increase of Japanese imports coincided with a half-hearted boycott of Japanese goods by the Chinese traders, Japanese retail trade made some headway, but after a while the movement stopped. Since non-Japanese importers regained a proper share in the total imports of Japanese goods and preferential treatment for Japanese retailers became less easy, these retailers have been losing ground to the Chinese, who are undoubtedly more efficient at this kind of business, other circumstances being equal. The limited number of Japanese, even before immigration was restricted, is significant.

The European population is predominantly urban. In Java and Madura 90 per cent. of all Europeans are domiciled in cities and towns. In the outer districts some 60 per cent. of Europeans live in the towns. For further details see *Census of 1930 in Netherlands India*, vol. vi, pp. 146-50 (Batavia, 1933).

### *Malaya*

The population of Malaya is shown as follows in the census of 1931:

#### *Racial Composition of Population in Malaya*

<i>Origin</i>	<i>Numbers</i>
European <sup>a</sup> . . . . .	17,708
Malaysian . . . . .	1,962,021
Chinese . . . . .	1,709,392
Indian . . . . .	624,009
Others . . . . .	72,216
Total	4,385,346

<sup>a</sup> Including Americans.

These figures include men, women and children. The figures of persons occupied in civil administration show a larger proportion of Europeans in State service in Straits Settlements Colony than in the other two divisions of Malaya, but in all three the Malay element predominates, though considerable numbers of Indians are employed in clerical work. Malays occupy many high official positions. There was 1 Malay in the Senior Co-operative Service, 1 in the Senior Veterinary Service, 5 Malay Assistant Commissioners of Police in the Federated and more in the Unfederated States; 10 Malays were promoted to Cadet (British) rank in the Federated Malay States and a larger proportion in the Unfederated States, and there were a few Eurasians and Asiatics in the Senior Medical Service, and one local Eurasian an engineer in the Public Works Department.

The highest class in the Cadet service to which Malays have been promoted in the Federated Malay States is Class III, whereas for Europeans there are three classes above this: in Johore and Kedah Malays reach Class IA like British officers. While a British Assistant-Commissioner of Police draws \$350 to \$800 per month, a Malay draws \$300 to \$510. His education and his training have been borne by the Government; his children get free education and medical treatment; he has not to send his children to Europe or bear the expense of furlough in a cold climate.

*Malaya. Persons engaged in Public Civil Administration, including Police, but excluding Clerks and Typists*

<i>Origin</i>	<i>Straits Settlements</i>	<i>Federated Malay States</i>	<i>Unfederated Malay States and Brunei</i>
Europeans . . . .	436	332	95
Eurasians . . . .	93	26	20
Malays . . . . .	2,186	3,327	4,022
Chinese . . . . .	498	238	123
Indians . . . . .	1,613	2,113	389
Total persons <sup>a</sup> in the public service including clerks and professional persons . . .	9,179	11,691	7,331

<sup>a</sup> But not the total of the above figures.

British officials in Malaya include persons engaged in technical services, electrical and mining engineers, analysts, agricultural advisers, geologists, &c., and the medical service alone accounts for 150.

In the Government and non-Government aided schools in which English is the medium of instruction, Chinese teachers are the most numerous. Malay schools are staffed by Malay teachers.

*Race of Teachers in Government and (non-Government) Aided Schools, where English is the Medium of Instruction*

<i>Origin</i>	<i>Straits Settlements</i>		<i>Federated Malay States</i>	
	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>
British . . . . .	49	71	27	36
French . . . . .	4	11	2	8
German . . . . .	5	2	5	..
Portuguese . . . .	1	..	..	..
American . . . . .	6	6	11	8
Italian . . . . .	..	6	..	..
Eurasians . . . . .	73	150	35	59
Malays . . . . .	25	2	23	..
Chinese . . . . .	254	100	127	35
Indian . . . . .	100	8	156	25
Others . . . . .	12	12	3	2
	529	368	389	173
Malay Teachers for Malay Schools . . .	742	129	1,324	227

Only British, Eurasians, Malays, Chinese and Indians will be Government servants, but the salaries of others are defrayed partly by school fees and partly by Government grant—Government making up the difference between revenue and expenditure of Aided Schools, where salaries are paid at rates approved by the Government.

*Tanganyika*

The non-native census of 1931 showed a total as follows:

*Non-native Population in Tanganyika Census of 1931*

<i>Origin</i>	<i>Male adults</i>	<i>Total population</i>
European . . . .	4,480	8,228
Indian . . . .	9,720	23,422
Goan . . . .	1,033	1,722
Arab . . . .	3,145	7,059
Other . . . .	315	589
<b>Total</b>	<b>18,693</b>	<b>41,020</b>

Of the non-native population 33·3 per cent. were not of British nationality. The largest single foreign group in 1935 was German (2,865).<sup>1</sup>

The persons employed in the various departments of Government service in 1936, excluding unskilled and casual labourers, numbered 950 Europeans, 959 Asiatics and 5,728 Africans.

<sup>1</sup> For the details see *Report of Tanganyika Territory*, Col. no. 105 of 1935, pp. 136 seq.

## APPENDIX XIV

### INDIAN MINORITIES IN AFRICA

THE question of the Indians already settled in South Africa has been a constant source of friction inherited by the Union Government from Natal and the Transvaal. Mr. Gandhi served his apprenticeship to Indian nationalism in South Africa. When it was proposed to segregate the 200,000 Indians in the Union, most of them in Natal, an Indian delegation visited South Africa to study the question on the spot, and in 1926 representatives of the two Governments conferred at Capetown. The Union agreed to abandon the segregation project in favour of a scheme of assisted repatriation. The immigration of the wives and children of Indians permanently settled in the Union was to be permitted; Indians in the Union were to have educational and other facilities for maintaining a Western standard of life; and in 1929 an Agent-General for India was established in the Union. In 1932 the Union Government agreed to co-operate with the Indian Government in promoting settlement in other countries of Indians leaving South Africa. The Agreement provided for the setting-up by the Union of South Africa of an Indian Colonization Inquiry Committee for the assistance of Indians to be repatriated from South Africa. The Report of this Committee, issued in 1934, states that two types of colonization schemes should be aimed at: (1) settlement on the land of a large number of persons under a scheme financed and supervised by an organization set up by these Governments, and (2) a more ambitious scheme having as its objective the creation of an Indian colony overseas which would be chiefly developed by Indian enterprise. The Round Table Conference Agreement of 1932 proposed the foundation and establishment, in some undeveloped or little developed territory under proper control and with adequate financial support, of a purely Indian colony. The requisite land for settlement could be obtained by purchase either from private owners or from the Government of the country selected, and the purchase might be made either by the Government of India or by some colonizing corporation approved by that Government. British North Borneo, British New Guinea and British Guiana were suggested as possible places for settlement. South African Indians generally showed no enthusiasm for the scheme. The Report stated that some Indians resident in Natal might be regarded as potential colonists when a definite scheme was formulated, but that no appreciable number of Indians from the Cape, the Transvaal or the Orange Free State would be likely to take part.<sup>1</sup>

Both in Kenya and in Uganda Indians are mainly retail traders, artisans and mechanics. In Uganda British Indians and Goans are largely employed by Government and by native administrations in clerical work, though Africans are being gradually trained to fill those posts. Indian relations with East Africa are of long standing, and there was already an Indian community in Zanzibar and the neighbouring country when Indian labour was imported from 1895 onwards for the construction of the Kenya-Uganda railway. Most of these new-comers returned to India, but some remained on the land and

<sup>1</sup> *Industrial and Labour Information*, Nov. 5th, 1934, p. 170. For earlier efforts for settlement of repatriated Indians see I.L.O., *Monthly Record of Migration*, vol. ii, no. 4, Apr. 1927, pp. 141-2.

some in commercial, clerical and other occupations. Their services are less essential than they were, as natives learn to engage in the same occupations. The functions they filled in the collection of produce for export are being taken over by agents of European companies, and in native areas some natives are opening shops. Proposals were in fact made for the allocation of certain coast-lands, but they do not appear to have been acceptable.<sup>1</sup> The Indian population is decreasing in Kenya and Uganda, where political opposition to its extension is very great. There is no discouragement of Indian immigration into the mandated territory of Tanganyika.

The difference in policy is reflected in the numbers of the Indian population. In Kenya there were about 43,623 Indians in March 1931 and 37,260 in 1933. In Tanganyika there was no such fall in these years; in the ten years 1921-31 the Indian population rose from about 10,200 to 23,000.

<sup>1</sup> See *Report on the Commission on Closer Union of the Dependencies in Eastern and Central Africa*, Cmd. 3234 of 1929, p. 29.



## APPENDIX XV

### SETTLEMENT AND DEVELOPMENT IN FRENCH NORTH AFRICA

IN French North Africa, with a total area of 939,000 square miles, only some 162,000 square miles are really cultivable. The southern territories of all three countries are Saharan and have few oases. The mean altitude is high, and the total area below 600 feet corresponding on the coast to the Tell (Latin, *tellus*) amounts in the three countries to only 30,000 square miles. Rainfall is meagre and crops variable. These conditions must be taken into account in estimating real density of the population and the possibilities of its increase, especially by an influx from without.<sup>1</sup>

From the different but no less important point of view of the human element which settlement faces, France has to deal not with a primitive or semi-civilized indigenous population, but with warlike races possessing an ancient culture, rooted in religion. The (relatively) 'pure' Berber-speaking tribes (Riffis, Beraber, and Chleuh in Morocco; Kabyles and Mozabites<sup>2</sup> in Algeria; Kroumirs (much more 'arabized') in Tunisia;<sup>3</sup> the Arabo-Berber (or rather Berbero-Arab) mass; and the few more or less 'pure' Arabs—all have these two characteristics, and many of them are nomads.

The distribution of the population and its density are shown in the following table, based on the censuses of 1936.

*Areas and Population of French North Africa. General  
Conspectus (1936)*

<i>Territory</i>	<i>Area (sq. miles)</i>	<i>Natives</i>	<i>Europeans (E.) of whom French (F.)</i>
<b>Algeria:</b>			
Northern zone. .	80,000	5,613,736	{ E. 978,257 F. 845,858
Southern zone. .	640,000	633,696	{ E. 8,995 F. 7,351
Total . . .	722,000	6,247,432	{ E. 987,252 F. 853,209
Tunisia . . .	48,520	2,395,108 <sup>a</sup>	{ E. 213,105 F. 108,068
Morocco . . .	166,700 <sup>b</sup>	6,059,500 <sup>c</sup>	{ E. 236,600 <sup>d</sup> F. 177,000
<b>Total French North Africa . . .</b>	<b>937,220</b>	<b>14,702,040</b>	{ E. 1,436,957 F. 1,138,277

<sup>a</sup> Of whom 59,485 Jews.

<sup>b</sup> Part of Moroccan Sahara excluded.

<sup>c</sup> Of whom 161,000 Jews.

<sup>d</sup> Of whom 205,000 Italians.

*Source:* Censuses of 1936.

<sup>1</sup> The information on conditions in French North Africa was communicated to the Group by Monsieur H. Brenier, Membre Correspondant de l'Institut de France (Académie des Sciences Morales et Politiques).

<sup>2</sup> Inhabitants of the Mizal.

<sup>3</sup> Not to speak of the Touaregs of the Ahaggar in the south-eastern Sahara. In all about 25 per cent. of the native population in Algeria; about 30 per cent. in Morocco.

What has been said above on the really 'valuable' part of the three French North African territories has of course its repercussion on what may be called the real density of the population. The figures would then be as follows, leaving aside the Southern zone of Algeria and Tunisia, i.e. in fact, the Sahara:

*'Useful' Economic Area, Population and Density of Population in French North Africa*

<i>Territory</i>	<i>'Useful' economic area</i>	<i>Population</i>	<i>Real density (sq.m.)</i> { <i>As compared with</i> }	<i>General density (sq.m.)</i>
<b>Algeria:</b>				
Northern zone .	50,000	6,592,000	130	82
Tunisia . . .	34,880	2,608,300	74	53
Morocco . . .	77,000	6,226,000	80	37

These figures put a different complexion on the possibilities of immigration.

In Algeria the increase in the French population has been from 267,000 in 1891 to 853,000 in 1936, or a gain of 586,000 in 45 years. At the census of 1936 the foreign non-French population was distributed as follows: Spaniards, 91,942; Italians, 20,429; Anglo-Maltese, 2,976; others, 18,196. The Spaniards predominate in the department of Oran; the Italians in the department of Constantine. Jews no longer declare themselves as such, as they were naturalized *en bloc* in 1871.<sup>1</sup>

In Tunisia the *European* population rose from 173,244 in 1925 to 213,105 in 1936, an increase of 39,861, the French gain of 37,848 accounting almost exclusively for the difference. The Italian increase has been only 5,000. For many years, in virtue of the Consular and Settlement Convention of September 28th, 1896, between France and Italy, Italian residents were able to invoke the old Ottoman Capitulations according to which foreign residents and their descendants could retain their nationality indefinitely. The Franco-Italian Rome pact of January 10th, 1935, has settled that 'until 1965 individuals born in Tunis of Italian parents will be of Italian nationality with the right for those born between 1945 and 1965 to opt for French nationality on obtaining their majority'.

The other nationalities were divided as follows in 1936: 7,279 Anglo-Maltese; 323 Spaniards; 454 Greeks, and 2,792 'others'.

The European population in Morocco is distributed as follows: (1936) French 154,600;<sup>2</sup> Spaniards 23,400; Italians 15,600; others 11,900.

In all three countries the Europeans are predominantly in urban areas, but there are a substantial number of French large and small farmers. In Algeria there were, in 1936, 26,153 European landowners, with a total area of over 5½ million acres, and more than half of these were peasant farmers with holdings of less than 75 acres. In addition there were 13,958 *métayers* and tenant farmers, and 37,400 agricultural labourers, principally Spanish and Anglo-Maltese. Agriculture accounted for 10 per cent. of the European population.

In Southern Tunis, in the Sfax region, about 1 million acres have been

<sup>1</sup> The last official figure was 59,500 Jews in 1926, but there are certainly more.

<sup>2</sup> Civilians 133,100; French troops 21,500. French subjects (Algerian Moslems for the most part), reach the figure of 21,000.

reclaimed for olive-growing, of which more than one-third is in European hands. In this region 3,250,000 olive-trees (nearly a fourth of the total in Tunis) are in full bearing, where there were only 300,000 fifty years ago. The census shows farmers and their families numbering 9,241 French and 14,656 Italians. The Italian peasants, mostly hard-working Sicilians, are usually market gardeners and wine-growers on small allotments.

The surface of the official allotments of land in Morocco passed from 153,675 acres in 1922—after the War—to 676,570 acres at the end of 1934. There has been a serious drop in allotments since 1931. Non-official land property in European hands reached 1,450,000 acres a few years ago; the total, therefore, exceeds two million acres.

The great French innovation in North Africa has been the development of the vineyards. They covered respectively, in 1934, 964,000 acres in Algeria; 125,400 in Tunisia; 64,000 in Morocco, or 1,153,000 acres in all.

The crop is exceedingly variable,<sup>1</sup> but from the average value of the wine exported from Algeria in 1932, 1933 and 1934—over 2,000 million francs—some idea of the importance of this economic effort can be formed. Algeria's purchases are, for a good half of their value, bought by her wine exports. She has even outgrown the desired development on this point; and restrictive measures have been taken, principally on the insistence of the wine-growers of Southern France. But this is another, and very complicated, question.

The improvement of the oil, fig and date production (all three pre-eminently native products); the extension of the cultivation of early vegetables and of citrus fruits (especially tangerines) is also due to French intervention. The value of the export of the last two categories amounted to over 140 million francs in 1934 for Algeria alone.

Sheep-raising (over 15 millions) is almost entirely the monopoly of the natives. Europeans possess about half a million, all told. Efforts are being made to prevent disease in sheep and to improve the wool. But the great difficulty is drought. 'Watering points' have been started on the grazing plateaux, but a great deal remains to be done in that direction.

<sup>1</sup> In Algeria 22 million hectolitres (1 hectolitre = 22 imperial gallons) in 1934 (maximum); 19 millions in 1935; 11·6 millions only in 1936.

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